THE CHINA WEEKLY

# REVIEW

*Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations*

## An Economic Interpretation of the Manchurian Question

*By Chen Ping-tseng*

## Will the Chinese and Japanese Have Formal Negotiations?

## Shanghai—Its Territorial and Constitutional Problems

*By Tsen Kwan-shen*

## China Was Not Invited to the Armistice Ceremony

## The Macao Question

*By J. A. J.*

評論報

SATURDAY, NOVEMBER 24, 1928

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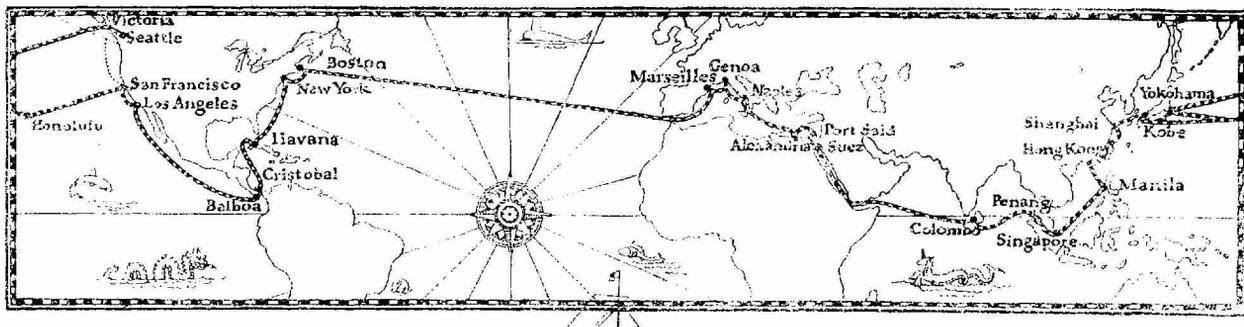


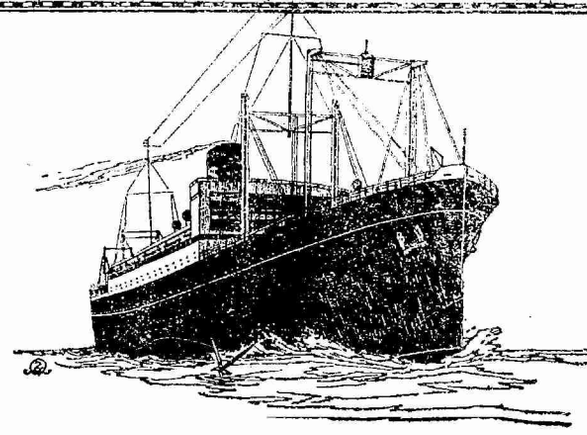

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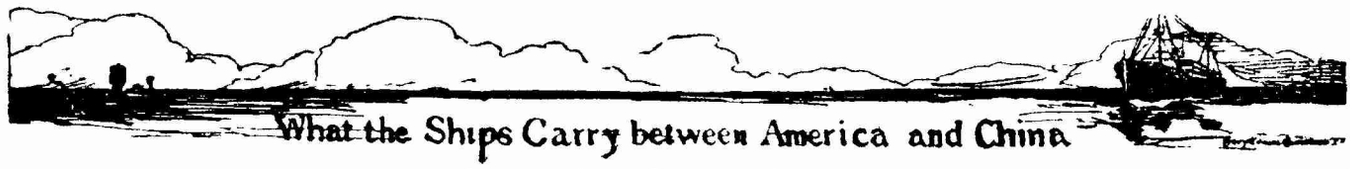

# What the Ships Carry between America and China

## Return of the Shanghai Customs

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### EMPRESS OF CANADA, Oct. 6.

To U. S. A.

| | | |
|---|---|---|
| Silk, Raw, Steam Filature: | | |
| White, Shanghai Bls. 141 | Pls. | 140.43 |
| White other Ports Bls 30 | ,, | 29.92 |
| Yellow, other Ports Bls. 10 | Pls. | 10.00 |
| Silk, Raw, Re-reeled: | | |
| White, other Ports Bls. 65 | Pls. | 66.32 |
| Silk Waste, Refuse: | | |
| Shanghai .... Bls. 55 | Pls. | 171.29 |
| Other Ports.. Bls. 60 | ,, | 201.00 |
| Pongees, Honan | ,, | 1.71 |
| Silk Piece Goods | Pls. | 5.90 |
| Tea, Green: | | |
| Gunpowder, Ningpo.. | Pls. | 365 |
| Bristles, Assorted | ,, | 74 |
| Brassware | ,, | 13 |
| Wool, Sheep's | ,, | 303 |

### JAPANESE PRINCE, Oct. 9.

To New York.

| | | |
|---|---|---|
| Tea, Green: | | |
| Gunpowder, Ningpo.. | Pls. | 135 |

### PRESIDENT PIERCE, Oct. 9.

From U. S. A.

| | | |
|---|---|---|
| Lead, Pig | Pls. | 420 |
| Ammonia, Anhydrous | ,, | 38 |
| Apples, Fresh | ,, | 303 |
| Bacon and Hams, in bulk | ,, | 16 |
| Cement | ,, | 38 |
| Fish, Fresh | ,, | 3 |
| Flour, Wheat | ,, | 345 |
| Milk, Evaporated | ,, | 1,014 |
| Paper, Printing | ,, | 2,276 |
| Pears, Fresh | ,, | 15 |
| Bedsteads | Pcs. | 282 |
| Motor-cars | ,, | 20 |
| Canned Salmon .... | Doz. | 1,780 |
| Cigarettes | Mille | 150 |
| Shoes | Pairs | 235 |
| Motor-cars, Parts of | Hk.Tls. | 664 |

### MIKASA MARU, Oct. 11.

from U. S. A.

| | | | |
|---|---|---|---|
| Cotton Raw: | | | |
| American.... | Bls. 538 | Pls. | 1,883 |

### MICHIGAN, Oct. 11.

From U. S. A.

| | | |
|---|---|---|
| Paper, Chipboard | Pls. | 1,281 |
| Timber, Softwood: | | |
| Ordinary, Sawn | Sup.ft. | 2,603,619 |
| Manufactured, Clear | ,, | 142,993 |
| ,, Merchantable | ,, | 607,822 |

### PRESIDENT CLEVELAND, Oct. 11.

To U. S. A.

| | | |
|---|---|---|
| Silk, Raw, Steam Filature: | | |
| White, Shanghai Bls. 255 | Pls. | 252.33 |
| White, other Ports Bls. 5 | Pls. | 5.01 |
| Yellow, other Ports Bls. 10 | ,, | 10.50 |
| Silk, Waste, Refuse: | | |
| Shanghai..... Bls. 10 | Pls. | 29.89 |
| Other Ports Bls. 54 | ,, | 174.54 |
| Silk, Raw, Filature: | | |
| Wild other Ports Bls. 50 | Pls. | 50.35 |
| Pongees, Honan | ,, | 15.98 |
| Tea, Black: | | |
| Congou, Hankow ... | ,, | 310 |
| Other Kinds, Kiukiang | ,, | 32 |
| Tea, Green: | | |
| Gunpowder, Ningpo.. | ,, | 19 |
| Egg Albumen, Dried .. | ,, | 307 |
| Egg Yolk, Dried | ,, | 84 |
| Brassware | Pls. | 80 |
| Chinaware, Fine | ,, | 17 |
| Bristles | ,, | 5 |
| Feathers, Duck | ,, | 99 |
| Woodware | ,, | 19 |
| Oil, Groundnut | Pls. | 27 |
| Oil, Wood | Pls. | 4,500 |
| Rhubarb | ,, | 25 |
| Walnuts, in Shell | ,, | 2,250 |
| Woollen Rugs&Carpets | Hk.Tls. | 5,880 |

### AGAPENOR, Oct. 12.

To U. S. A.

| | | |
|---|---|---|
| Tea, Green: | | |
| Gunpowder, Ningpo.. | Pls. | 326 |
| Antimony, Oxide | ,, | 840 |
| Bristles Assorted | ,, | 50 |
| Tungsten Ore | ,, | 420 |
| Rhubarb | ,, | 50 |
| Wool, Sheep's | ,, | 500 |
| Hats, Buntal Fibre .... | Pcs. | 1,200 |
| ,, Hemp | ,, | 1,200 |
| Skins, Mole, Untanned | Pcs. | 9,990 |

### RHINE MARU, Oct. 12.

From U. S. A.

| | | |
|---|---|---|
| Iron Hoops, Old | Pls. | 710 |
| Steel Sheets, Scrap, Old | ,, | 44 |
| ,, Spring, ,, ,, | ,, | 139 |
| Steel, Galvanized: | | |
| Wire, Scrap, Old | ,, | 47 |
| Lead-foil and Tinfoil Mixture | ,, | 922 |
| Flour, Wheat | ,, | 1,408 |
| Paper, Chipboard | ,, | 756 |
| Soda, Caustic | ,, | 671 |
| Tobacco, Leaf | ,, | 991 |
| Cigarettes | Mille | 75,000 |

### ASO MARU, Oct. 13.

from U. S. A.

| | | | |
|---|---|---|---|
| Cotton, Raw | Bls. 162 | Pls. | 567 |
| Tinned Plates, Plain.... | | ,, | 1,121 |

### ARGUN MARU, Oct. 13.

To U. S. A.

| | | |
|---|---|---|
| Tea, Green: | | |
| Gunpowder, Ningpo | Pls. | 473 |
| Young Hyson, Hangchow | ,, | 63 |
| Young Hyson, Kiukiang | ,, | 175 |
| Hyson, Kiukiang .. | ,, | 77 |
| Tea, Black, other kinds, Kiukiang | ,, | 23 |
| Chinaware, Coarse.... | ,, | 18 |
| Egg Yolk, Dried | ,, | 241 |
| Hides, Buffalo | ,, | 149 |
| Wool, Sheep's | ,, | 665 |
| Tungsten Ore | ,, | 420 |

## Latest New York Stock Exchange Quotations

Swan, Culbertson & Co. Tel. 18891-18990 Nov. 20

Market Closed Mixed Business done, 5,106,500

| STOCK | Saturday Nov 17. | Monday Nov. 1 |
|---|---|---|
| Allied Chemical & Dye (Common) | 234½ | 229¾ |
| American Can (Common) | 116½ | 115⅝ |
| American Smelting | 284 | 283¼ |
| American Telephone & Tel. (Common) | 194½ | 197¼ |
| American Tobacco "B" | 180 | 178¾ |
| Armour & Co. "A" | 17¼ | 16⅞ |
| Armour & Co. (Ill.) 7% Pfd. | 85 | 83 |
| Anaconda Copper | 104⅜ | 109⅝ |
| Bancitaly Corp. | 127⅝ | 127¼ |
| Bank of Montreal | 383 | 383 |
| Barnsdall Corp. "A" | 48 | 48 |
| Bethlehem Steel (Common) | 80⅞ | 84¼ |
| Bethlehem Steel, 7% Pfd. | 121 | 121 |
| Brooklyn-Manhattan Transit | 68⅜ | 67½ |
| Calumet & Hecla | 45 | 45⅜ |
| Campe Corp. | | 100 |
| Canadian Pacific Railway | 232 | 235¾ |
| Cavanaugh Dobbs | 34 | 33¼ |
| Chicago Great Western Railroad | 34⅞ | 34⅝ |
| Chile Copper | 67⅜ | 68¾ |
| Chrysler | 131½ | 130 |
| Coca Cola | 171 | 170 |
| Consolidated Gas of New York | 92⅞ | 92 |
| Coty Incorporated | 302 | 300 |
| Davison Chemica | 62¾ | 63⅜ |
| Du Pont de Nemours E. I. (Common | 436 | Mutil'd. |
| Eastman Kodak | 188 | 187 |
| Fox Film "A" | 97 | 98⅛ |
| General Cigar | 60¼ | 61 |
| General Electric Co. | 183½ | 183¾ |
| General Motors | 212⅞ | 212 |
| General Railway Signal (Com.) | 107 | 108¼ |
| Gold Dust | 115¼ | 114 |
| Granby Consolidated | 81½ | 81⅞ |
| Haygart | 83½ | 83⅞ |
| Hudson Motor Car | None | 136 |
| Industrial Rayon | 84 | 83½ |
| International Cement (Common) | | 49 |
| International Match, Pfd. | 99⅞ | 99 |
| International Nickel (Common) | 195½ | 194⅜ |
| International Printers Ink | 49½ | 49¼ |
| International Products Corp. (Common) | 12⅛ | 12¼ |
| International Products Corp., Pfd. | None | None |
| Kelvinator | 18½ | 18⅜ |
| Kennecott Copper | 142¼ | 140¼ |
| Liggett & Myers, Class "B" | 93 | 93⅞ |
| Lorillard Company (Common) | 30⅝ | 31½ |
| Mack Trucks | 101 | 102⅜ |
| Madison Square Garden | 20 | 19¾ |
| Maytag Co. | 28¼ | 28⅛ |
| Mengel Co. | 34⅝ | 34⅜ |
| Missouri Pacific By. | 70⅞ | 70¼ |
| National Dairy Products | 124⅛ | 126⅜ |
| Pacific Gas & Electric Co. | 54¼ | 53⅞ |
| Packard Motor Car Co. (Common) | 121⅜ | 120⅞ |
| Pennsylvania Railroad | 67⅛ | 69½ |
| Radio Corporation | 301½ | 331½ |
| Reynolds Tobacco, "B" | 155 | 156½ |
| Sears, Roebuck & Co. | 189¼ | 190 |
| Standard Gas & Electric (Common) | 76 | 75⅜ |
| Standard Oil of California | 69 | 69⅛ |
| Standard Oil of Indiana | 87 | 89⅞ |
| Standard Oil of New Jersey | 54¼ | 53¾ |
| Standard Oil of New York | 38⅝ | 38⅜ |
| Texas Corporation (Common) | 74 | 73¼ |
| Texas Gulf Sulphur | 80⅞ | 80½ |
| Timken Roller Bearing | 150¼ | 150 |
| Union Carbide | 194 | 193¼ |
| Union Pacific Railroad (Common) | 217¾ | 217¾ |
| United States Leather | 55⅞ | 55⅞ |
| United States Realty & Imp Co. | 83 | 80¾ |
| United States Rubber (Common) | 38¾ | 39 |
| United States Steel | 171¼ | 170⅜ |
| Vanadium Corp. | 103½ | 102⅝ |
| Willys Overland Co. | 29⅞ | 28¾ |
| Wright Aeronautical | 207½ | 206¾ |

# Perfect When Sun-Maid Raisins Are Used

## SANDWICH BREAD

½ cup boiling water.
½ cup corn meal.
¾ cup molasses.
2 cups sour milk or buttermilk.
1½ cups flour.
1 teaspoon salt.
1 teaspoon soda.
4 teaspoons baking powder.
½ cup brown sugar.
2 cups graham flour.
½ cup walnut meats cut up.
1 cup puffed raisins.

First pour boiling water over the corn meal and stir well. Then add the molasses and buttermilk. Sift the flour, baking powder and soda salt and add the first mixture. Flour the raisins, and add them with the walnuts and combine the two mixtures. Pour into two greased pans and let rise for 20 minutes in a warm place. Bake one hour.

This makes a delicious sandwich bread for any cheese mixture, such as pimento cheese or cottage cheese well seasoned and a lettuce leaf between the two thin slices of bread.

**Sun-Maid Raisin Growers' Association**

3 Canton Road, - - - - Shanghai.

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TIME TABLE

| TRAIN | DEPART FROM | ARRIVE AT |
|---|---|---|
| * 1 Express | Hankow (T.C.M.) Every Monday 10 P.M. | Chengchow Every Tues. 6:55 P.M. |
| + 2 Express | Chengchow Every Thurs. 10 P.M. | Hankow (T.C.M.) Every Fri. 8:40 P.M. |
| ‡ 5 Local | Hankow (T.C.M.) 6:10 P.M. Daily | Chengchow 6:43 A.M. Third Day |
| 6 Local | Chengchow 7:15 P.M. Daily | Hankow (T.C.M.) 6:48 A.M. Third Day |
| 51 Local | Chengchow 8:00 A.M. Daily | Chang Teh 5:00 P.M. |
| 52 Local | Chang Teh 8:23 A.M. Daily | Chengchow 5:45 P.M. |
| 74 Local | Hankow (Y.T.M.) 7:30 A.M. Daily | Kouang Choei 1:38 P.M. |
| 75 Local | Kouang Choei 8:00 A.M. Daily | Hankow (Y.T.M.) 2:10 P.M. |

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# 密勒氏評論報

# THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認為新聞紙

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## THE BEST WAY *NOT* TO GET MONEY OUT OF CHINA

A GROUP of Japanese industrial and banking companies having defaulted loans and other obligations in China, held a meeting in Tokyo on Nov. 13 and decided to request the Japanese Government to make its consent to China's tariff increase conditional upon China's agreement to take care of the defaulted Japanese obligation s. Those who participated in the meeting also voted to act as a unit in future negotiations with either the Chinese or Japanese Governments. The firms listed in the *Toho* news agency report referring to this question were the Toa Kogyo Company, Chunichi Jitsugyo Company, Mitsui, Mitsubishi and Furukawa companies. The decision of these Japanese companies to pool their interests and act as a unit in future negotiations, is on the constructive side, but the decision to request the Japanese Government to make its consent to China's tariff increase conditional upon China's agreement to use the increased Customs funds for meeting the Japanese debts, is destructive. If the Japanese Government should consent to this procedure the Japanese companies having defaulted obligations in China would defeat their own ends because it is exceedingly unlikely that the National Government ever would consent to such a procedure the reason being that it would nullify any benefits which China might expect to obtain from an increase in her tariff. The Chinese Government urgently needs money for recontruction and for consolidating its own position. By increasing the tariff rates the Government hopes to obtain the needed funds quickly and without greatly disrupting business. But if the Japanese are now to step in and demand that all increased revenues from the Customs must be used to pay off the old Japanese debts, the average Chinese will say, What's the use of increasing the tariff if the money is to go to Japan?

IF THESE Japanese companies were wise they would offer China a moratorium for a few years in order to enable China to recover her financial equilibrium and re-establish her credit. Then China might be expected to pay off her debts voluntarily, but to attempt to force payment now would be like trying to squeeze blood out of a turnip. Trying to force the issue now will only have the effect of making the Chinese more antagonistic and more determined not to be bullied by the Japanese. Next to the Manchuria question, this matter of China's debts to Japan constitutes the most serious problem in the relations of the two countries. Owing to the fact that most of these debts were incurred by previous Northern Governments for the purpose of fighting the Kuomintang, it is but natural that the subject is

anything but a popular one with the Nationalists. In Mr. T. V. Soong's statement on the question of debts at the Financial and Economic Conference last summer, he declared that the National Government intended to pay off all *just* debts. His use of the word *just* was significant, because few Chinese consider the so-called Nishihara loans amounting to anywhere between $250,000,000 and $350,000,000 as *just* debts. They look upon these loans as money which Japanese dumped into China for the achievement of a Japanese political ambition and since the Japanese failed to achieve their purpose, the Chinese are not worrying a great deal about the matter of paying off these loans. If the Japanese financiers would make a study of America's financial experiences growing out of the World War and adopt a similar procedure, there might be some hope of constructive achievement. Or, they might investigate the subject of Mexico's defaulted obligations to the United States and Great Britain, a matter referred to in a *Reuter* dispatch from London on Nov. 6 which stated that Mexico is now making plans for the repayment of the Mexican debt to foreign investors. Mexico's foreign debt has been in default for about fifteen years and after trying all kinds of methods to force payment, including intervention, the foreign governments finally decided to wait until the Mexicans had established a government which had sufficient financial strength to undertake payment. That time apparently has now arrived and according to a statement by Mr. Thomas W. Lamont, who is chairman of the international creditors, an agreement has now been reached. What the Japanese bankers ought to do is to propose the formation of a joint Sino-Japanese financial commission composed of bankers of the two countries with a minority representation from the Chinese and Japanese Ministries of Finance. This commission could then explore the whole subject of Sino-Japanese financial relations and recommend a constructive plan for placing the finances of the two countries on a solid basis. This method would also remove the question of debts from the sphere of politics somewhat as the Dawes Commission removed the question of German reparations from the sphere of international politics. But it is difficult to imagine the Japanese Government giving consideration to such a scheme so long as that Government is controlled by a military clique which is entirely out of touch with present conditions in China and still looks upon this country as a nation that can be bullied or bribed into accepting any terms which Japan might wish to put over.

## SOME ADVICE FOR FOREIGN BUSINESSMEN

MR. DANIEL E. DOUTY, vice-president of the United States Testing Company, an organization which has much to do with the importation of Chinese silk into the United States, recently delivered an address before the British Empire Chamber of Commerce in New York City in which he declared that "the day has passed in international relations when any nation can demand from China more than it can justly demand from another nation." He emphasized the fact that changes are being wrought in China because thousands of young Chinese have gone to other countries for education and training and have returned to their native land with ideas which have changed it from its former condition to a nation of growing progressive business. The political revolution, he said, has brought the Chinese people together with a new nationalism which will greatly affect business relations. Continuing, Mr. Douty made the following significant remarks, as reported in the *New York Times* for October 18.

> "The business man, the business company and the nation that fails to take into account the rising tide of nationalism and the advancing wave of modernism," "is doomed to disappointment in all relations with China.
>
> He predicted that a greater scrutiny of public affairs by the people of China will result in the unified nation and that concessions and the old granting of privileges by unscrupulous officials are things of the past. Foreign business men who have been in China many years have already shown their discouragement, he said, and many have returned home.
>
> "Within the next ten or fifteen years, there will be an almost complete turnover of foreign business personnel. The older men, in many cases so close to the situation that they cannot see the larger things which are transpiring, are so fixed in the older social order that they cannot readjust themselves and are going to be replaced by younger men who will be free from the memories of the past."

## SHANGHAI'S "THREE-RING" MEDICAL CIRCUS

THERE ARE three separate political entities at Shanghai, the Chinese City which is known as Greater Shanghai, the French Concession and the International Settlement. A stranger visiting Shanghai would not know, if he were not told, where one city ends and the other begins, because they are only separated by streets. But each maintains its own political independence, police department, and so on. Of the three cities, the French Concession and the International Settlement are controlled by foreigners. Each of these political divisions in Shanghai maintains a health department, the purpose being to protect the health of local residents. Very little is known about the health department of the French Concession, except that vital statistics are recorded. The health department of the International Settlement is the oldest and probably the best organized, while the health department in the Chinese Municipality is the newest and most modern from the standpoint of trained personnel, being composed of Chinese doctors who have received their educations abroad. While it is always difficult for men of different races to adjust their political differences, one would think that doctors, who are essentially men of science, could cooperate. But this seems not to be the case at Shanghai, because the International Settlement, controlled by the British, Japanese and Americans, but dominated by the British, has refused to cooperate with the Health Department of the Chinese area. There are certain matters pertaining to public health which everybody should be able to agree upon: inspection of food, sanitation, disease prevention, registration of doctors, etc. Several months ago the head of the health department in the Chinese City proposed a method of cooperation beginning with food inspection. The Health Department of the International Settlement flatly rejected the proposal on the grounds that the food inspection system in the Chinese City was not up to the standard of the International Settlement. Since that time much correspondence has passed back and forth, but the situation is still deadlocked.

The correspondence has become "warmer" with the passage of time, until it now seems impossible for any form of cooperation to be worked out. The Settlement authorities claim that food-producing and dispensing establishments in the Chinese City are permitted to operate in insanitary surroundings and now the head of the health department in the Chinese City comes back and calls attention to the fact that the International Settlement places no restrictions whatever upon the operationof "quack" doctors. The head of the Chinese health department has produced evidence that all of the "quacks" have been driven out of his area, but they have merely moved across the street and have opened their offices in the International Settlement. He proves his case by producing numerous advertisements from local newspapers, chiefly Chinese and Russian, showing that the town is full of abortionists and dispensers of nostrums who would not be permitted to carry on their practice in any so-called civilized country. He has even gone to the extent of requesting the publishers of the Chinese newspapers, in the public interest, to reject the advertisements. He cannot bring any legal pressure to bear because these newspapers are published in the foreign settlements. This "three-ring" medical circus which is maintained in Shanghai constitutes a serious menace to the public. There should be some way for bringing about cooperation through the creation of a joint international health council which would have only advisory power, but which would provide a convenient meeting place for personal contacts through which current business might be handled amicably and with the maximum promptness and efficiency. The chief stumbling block seems to be the officials of the International Settlement who are obsessed by the fear that any form of cooperation with the Chinese authorities might lead to the Chinese obtaining a voice in the affairs of the Settlement!

## STUDYING THE BACKGROUND OF SINO-FOREIGN RELATIONS

THE AMERICAN Women's Club of Shanghai has mapped out an interesting course of study for the present season based upon the background of present Chinese-foreign relationships. Among the general subjects which are being considered are, "The Old Trade Routes," "Overseas Intercourse," "The Grand Canal and China's Waterways," and from this point they proceed to a study of the early silk trade, the porcelain trade, early trade routes across the Gobi, Yunnan and Szechuen, the tea trade, and so on. The travels of Marco Polo have naturally received attention as well as the old overland route from Canton to Peking, the same route which was followed by the Nationalists in their military conquest of China last year. The subject of the clipper ships and the early trade between the United States and China which had such far-reaching effects upon early Chinese-American relations, have also received attention. The American Women's Club is to be congratulated on this study program, for it is only in this way that a proper foundation for an understanding of present problems involved in the relations of Chinese and foreigners may be had. And in congratulating the women one is inclined to speculate upon the question whether foreign women in China are not more intelligent than the male of the species. It would be difficult to imagine American or British chambers of commerce (composed exclusively of men) becoming excited over a lecture on the ancient trade routes through Yunnan and Szechuen and across the Gobi desert, but the foreign women in this community manage to attract audiences of well above a hundred to lectures on these subjects. For some reason it is difficult to get foreign businessmen interested in anything pertaining to Chinese-foreign relationship unless it has to do with some pressing current problem. If it should be announced that a mass-meeting was to be held for the purpose of protesting against tariff autonomy or against the abolition of consular jurisdiction, the male members of the business community would turn out enmasse, but if on the other hand, it was announced that there was to be a lecture on Sino-foreign treaty relationships during the past century, one would be lucky to attract a corporal's guard. China's present demands for treaty revision have a very definite historical background which is to be understood only in the light of the past history of Sino-foreign relations. But the average foreign businessman will have none of this. He only becomes interested when he reads a headline in some foreign newspaper which suggests that China is planning some change which might temporarily have an adverse effect on business. Then he is likely to become all excited and indignant over this alleged curtailment of "established rights" when the contemplated action on the part of the Chinese authorities, if considered from a broad standpoint, might actually have a beneficial effect upon business. Which prompts a repetition of the suggestion that possibly the women are more intelligent than the men, for they are making a serious effort to understand the present situation from the standpoint of the historical background of Sino-foreign relationships—which is, of course, the only logical way to approach the subject.

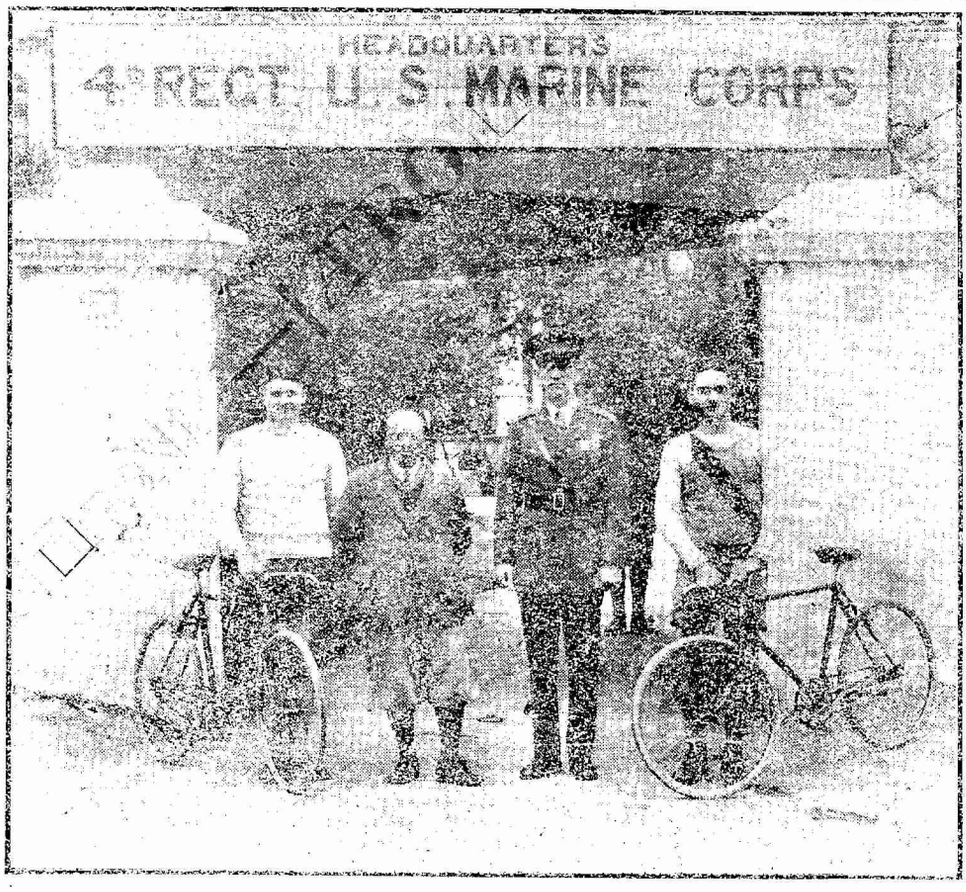
## REACTIONS OF CHINESE AND AMERICAN STUDENTS

THE FOREIGN newspaper correspondents in Peiping sometime ago gave considerable news prominence to a strike on the part of the students of Tsing Hua College which forced several members of the faculty to resign. This strike took place prior to the appointment of Dr. Lo Chia-lun as president of the institution, Dr. Lo having been appointed to this position by the National Government. Since Tsing Hua College is a Chinese Government institution it is but natural that the National Government should desire to control its activities, similar to what was done when the school was controlled by the previous government in Peiping. It is also most natural that the students in Tsing Hua should be sympathetic toward the Kuomintang and the National Government. However, what we started out to discuss was the student strike, which raised a considerable commotion in Peiping newspaper circles and of course was cabled to the United States where it also received some prominence. A reader of *The Review* who resides in New York read these reports about the student strike at Tsing Hua in the New York newspapers, so he wrote us a letter and enclosed some clippings from the *New York Times* which tell about an interesting strike on the part of the students at Princeton University, one of the leading educational institutions of the United States which was formerly presided over by the late Woodrow Wilson prior to his election to the Presidency. What happened at Princeton was that the local election board in Princetion, N. J., where the university is located, had passed a ruling forbidding the Princeton students to vote in the recent presidential

election. When the students learned of this ruling, their actions were quite similar to the reactions of Chinese students: they went on a rampage; placarded the town; declared a boycott of Princeton shops and then they staged a first class riot in one of the principal streets of the city which lasted for several hours and during which they tore down the Al Smith and Herbert Hoover banners which had been unfurled in the city by the followers of the two presidential candidates. When the matter was brought to the attention of Dr. John Grier Hibbon, the President of Princeton, he took the side of the students and called the action of the local election registration board as an evidence of "prejudice of hostility." The average American student pays little attention to politics, but when questions arise in which he is interested, he does rise up and assert himself and in so doing is not any different from Chinese students.

## PUBLISHER OF "ZION PROTOCOLS" NOW IN JAIL

THE NEW YORK *World* on October 14 contained a report pertaining to the conviction of Norman H. White of Boston for larceny amounting to G. $468,000. This incident will interest Shanghai residents because Mr. White, who once served in Congress from Brookline, Mass. was largely responsible for the publication in book form of the so-called "Protocols of Zion" which purported to prove a world-wide conspiracy of Jews to control the industries and finances of the world at the expense of the Gentiles. The book which consisted of forged documents was originally published in Russia in 1905 as propaganda put out by reactionary interests. It was republished in England in 1919 under the title, of "The Jewish Peril," and in 1920 it was published in the United States by the Small, Maynard Company of Boston. Herman Bernstein, former editor of the *Jewish Tribune* investigated the matter on behalf of the American Jewish Committee composed of leading Jewish citizens and reported that the manuscript consisted of faked documents and had been peddled from publisher to publisher by a Russian Captain Boris Brasol who was interested in spreading propaganda against the Soviet Government. Despite the fact that he must have known of the falsity of the documents, Norman H. White, who was president of the publishing firm of Small, Maynard and Company of Boston, brought out the book and gave it wide circulation, thus "showing himself disposed to spreading these cruel lies," to quote the words of Herman Bernstein in the course of an interview appearing in the *New York World*. When the book appeared, it received widespread denunciation in the United States, among those condemning it being Cardinal O'Connel of Boston and the late President Wilson. White's recent legal complications were not directly connected with the publication of the "Protocols" but in connection with bankruptcy proceedings growing out of a loan of G.$880,000 which he negotiated for the Boston Bookbinding Company of which he was treasurer. As stated previously, this incident is of interest in China because these faked "Protocols of Zion" were republished in this city, first by one of the leading foreign newspapers and last year in book form, the purpose here being for reactionary propaganda aims similar to the inspiration for their publication in Russia, England and the United States. The incident is also of interest in showing how far Shanghai is behind the main news currents of the world. Although this propaganda was originally published and its falsity definitely proved in both England and the United States fully seven years ago, this didn't prevent Shanghai "die-hards" from taking up the same propaganda last year and getting everybody out here all excited about the alleged "Jewish control of the world" through Soviet Russia. As a matter of fact certain local professional propagandists still write letters to the foreign press on the subject, one such having appeared in the *North-China Daily News* within the present month.




## Marine Team To Participate in Cycle Race

The Fourth Regiment, U. S. Marine Corps, stationed at Shanghai, has entered a team in the International Bicycle Race which is to be held in Shanghai shortly, Those in the picture are Ray Hiatt. Portland, Oregon; Kyat Tong. Chinese cycling enthusiast; Col, Fred D. Kilgore, Commander of the Fourth Regiment; and Joe Flores, Derring, Kansas, and Oklahoma City, Okla. Both members of the American Marine team have participated in cycling matches in the United States, Hiatt having participated in a 25 mile race at the Oregon State Fair and in matches in San Diego, Cal. Mr. Flores has won several long distance races in various parts of the United States over distances ranging from 5 to 50 miles and also participated in a race from New York City to Los Angeles, Cal.; Oklahoma City, to Los Angeles, Oklahoma City to Chicago; New York to Jacksonville, Fla., etc. He has won 49 medals and 11 cups in various races in which he participated.

# China Was Not Invited to the Armistice Ceremonies!

THE *China Critic*, a weekly magazine published in the English language by Chinese interests in Shanghai and Nanking, printed the following editorial in its issue of Nov. 15 referring to the failure of the representatives of the so-called "Allied Powers" in Shanghai to invite the Chinese Government to participate in the Armistice Day Ceremonies which were held in Shanghai on Sunday morning, Nov. 11,

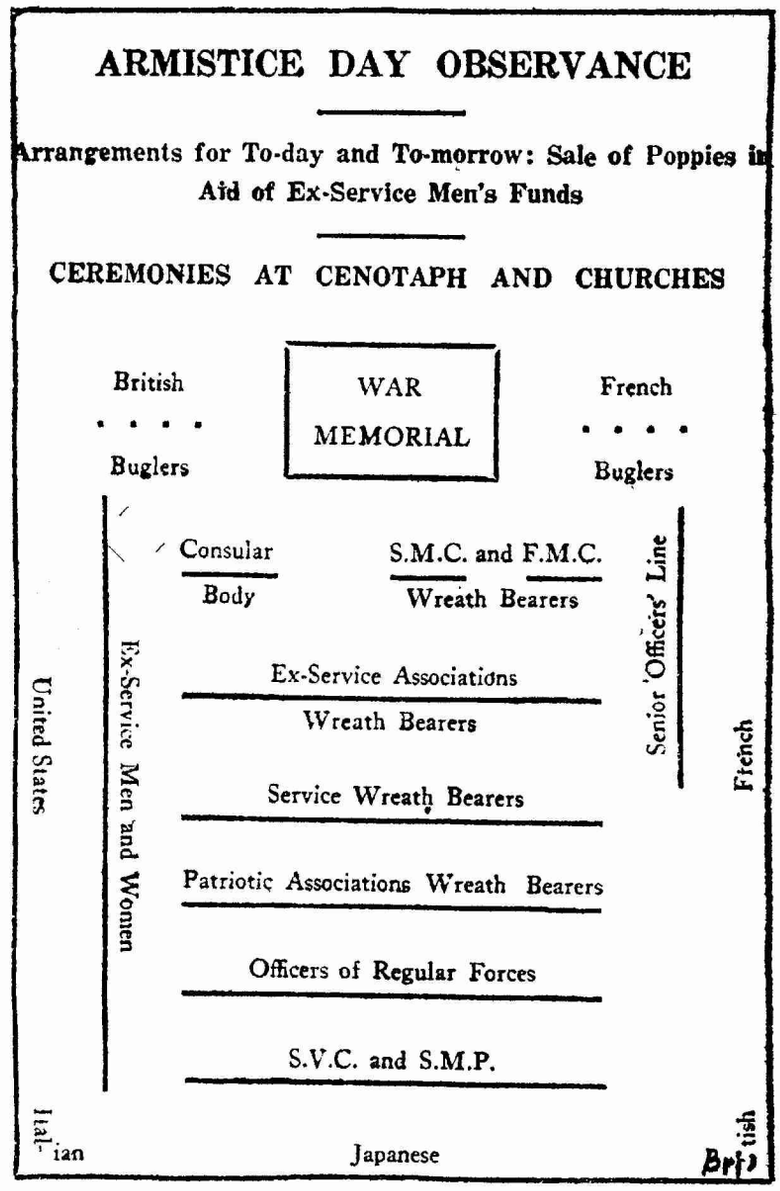
**Armistice Day**

*Armistice Day was fittingly observed in Shanghai. Soldier sof the allied countries gathered to honor those who died in "A war to end war." As one of the Allies China might have been invited to participate in the observance of this memorable occasion, but China is weak and need not be taken into consideration. Her contribution to the cause that was to "make the world safe for democracy" was but an unending stream of laborers who dug trenches in the battle front so that their white superiors might be protected from wholesale destruction by the enemy. So much appreciation of China's part in the War was shown that Shantung was actually awarded to Japan at the Paris Conference. That was, however, almost ten years ago. In the course of time, the conscience of the world is said to have awakened more and more, but today we find Japanese soldiers back in Shantung once more and French troops still in the Rhineland. The Kellogg Anti-War Pact may be regarded as the only outstanding achievement since the Great War that bears the slightest proof to the desire for peace on the part of the Great Powers, but it may still be a scrap of paper if the rights of the militarily weak nations are not duly protected by effective means. Until this universal ideal of peace is realized, Armistice Day shall always be observed in vain.*

That the Chinese were not asked to participate in the ceremonies is shown by the official chart reproduced herewith from the *North-China Daily News*, the official British newspaper in Shanghai. This chart shows the location of the various foreign military units and service organizations, the Consular Body, the French and International Settlements, etc., but no place for the Chinese, despite the fact that the ceremonies were held on Chinese soil and China was an "ally" in the war, and so on. It is possible that some Chinese members of the S. V. C., or Shanghai Volunteer Corps participated in the ceremonies for a space was reserved for this organization, but even if members of the Chinese Company in the S. V. C. did participate, it would not count as Chinese participation because the Chinese Company is a part of a foreign volunteer military unit which is subject to the orders of foreign Consular Body. However, definite proof that there was no official Chinese participation is indicated in the following paragraph from the description of the ceremonies which appeared on Page 1 of the *Shanghai Times* (British paper) on the morning of Monday, Nov 12,

British, American, French, Italian and Japanese troops having formed up, the Allied Consuls arrived,headed by the Senior Consul, Mr. E. S. Cunningham. Mounting the steps at the base of the Memorial Mr. Cunningham feelingly spoke on the binding spirit which had brought them all together, 10 years after the war, to honor those who had laid down their lives in the great sacrifice. The Senior Consul then, on behalf of the Allied Consuls, placed a wreath at the base of the Memorial, and thereafter wreaths were placed by the representatives of the Shanghai Municipal Council, French Municipal Council, the various patriotic associations, the services and others.

Whether the failure to invite the Chinese to participate in the Armistice Day ceremonies was due to design or to oversght on the part of those responsible for the arrangements, is not known, but that the failure to invite the Chinese to participate was a serious matter, goes without saying. While China sent no troops to the Allied front, China did participate in the war by an official declaration of war and by sending several hundreds of thousands of laborers to the Western front where they were employed in the digging of trenches "so that their




**The above Chart which is reproduced from the issue of the *North-China Daily News*, the official British paper here, on Nov. 10, the day preceding the Armistice Day Ceremonies, shows that no place was reserved at the Cenotaph for the participation of the Chinese.**

white superiors might be protected from wholesale destruction by the enemy." The quoted sentence is from the editorial in the *China Critic* referred to in the foregoing. Several thousands of these Chinese laborers were killed by enemy bombs on the western front during the course of the war and when the Shanghai War Memorial was constructed several years ago it was suggested that some recognition should have been made of this fact by the inclusion of a proper inscription. But the committee which had charge of the arrangements would not listen to this suggestion and today the Shanghai War Cenotaph stands on the Shanghai Bund without any recognition whatever of China's sacrifices in the world struggle which was supposed to "end all war." We know of nothing better calculated to inspire the intelligent Chinese in their struggle for national independence and their desire to put an end to the foreign regimes which function here under the so-called unequal treaties which relegate the Chinese to an inferior position.

## Bank of China Is Reorganized

One of the results of the inauguration of the Central Bank of China as a state bank is that the Bank of China no longer acts as a Government bank. The shareholders of the Bank of China held a meeting Sunday, November 18, and ratified the new charter, under the terms of which it becomes a semi-Government institution, acting under special charter from the National Government as an exchange bank. Its principal function in future will be developing foreign and domestic commerce.

The newly elected directors and auditors met November 19 and elected the following officers:

Chairman of the Board of Directors, Li Ming, general manager of the Chekiang Industrial Bank. General manager, Chang Kai-ngau, formerly vice-governor of the Bank of China. Messrs. Li and Chang together with K. P. Chen, managing director of the Shanghai Commercial and Savings Bank, Sung Han-chang and Feng Ken-kuang of the Bank of China, constitute the five managing directors.

There are 10 directors as follows:—C. L. Chow, Yih Tsu-tong, Dr. H. H. Kung, Pei Tsu-yee, S. S. Bien, C. M. Chu, Chow Tso-ming, Dee C. Chuan, Chen Ka-king and Wu Ling-hsu.

The five auditors elected are Lu Hsu-pu, A. Sycip, S. L. Lee, Chang Wen-huang and K. M. Koo.

Under the new charter, the Chairman of the Board of Directors must be ratified by the Minister of Finance, and this T. V. Soong has done.

The National Government has taken up $5,000,000 of the shares of the Bank of China, which increased the paid-up capital to $25,000,000. The Bank of China will continue to issue banknotes as heretofore, the regulations and reserves remaining unchanged.

Pei Tsu-yee, who is one of the Chinese members of the Shanghai Municipal Council, is the Shanghai manager of the Bank of China.

## Bank of Communications Recognized as a National Bank:

According to a recent *Kuo Min* telegram from Nanking, Nov. 18, the Bank of Communications, which was organized under the former Peking *regime*, has been given official recognition by the National Government of the Republic of China. A new set of regulations redefining its status and governing its organization and operation was published by the Ministry of Finance Nov. 17.

According to the new regulations, the Bank of Communications is recognized as a National Bank engaged in the expansion of the country's communications with an authorized capital of $10,000,000 in $100 shares. Twenty thousand shares will be Government and the rest held by private individual share-holders who must be citizens of the Republic of China. In case of necesssity, the capital of the Bank may he increased with the approval of the Ministry of Finance.

The Head Office of the Bank is to be established at Shanghai and its new charter will remain effective for 30 years from date of promulgation of the new regulations. It may be extended on application and upon approval thereof by the Ministry of Finance.

The Bank will be controlled by a Board of Directors of 15, three of whom are to be appointed by the Ministry of Finance; and a Supervisory Board of five, one of whom shall be appointed by the Ministry of Finance. The term of office for the Directors will be four years and of the Supervisors, three years, all being eligible for re-election upon expiration of their terms.

## Chinese Salt Revenue Is Bone of Contention

In China from time immemorial fairly heavy taxation of salt, the sale of which is a government monopoly, has been one of the important sources of revenue. The net revenue collected from salt in China in a year is about Mex. $70,000,000 or $80,000,000. Like most other sources of revenue in China the revenue from salt is "mortgaged" to pay for various loans. The revenue is collected by what is known as the Salt Gabelle, and in January, 1913, when negotiations were proceeding for a loan from various foreign banks (known usually as the Group Banks), directions were given by the Ministry of Finance that all salt revenues were to be held as a special account. On April 26, 1913, a reorganization loan agreement was signed, when China borrowed huge sums of money, and agreed that the amount due should constitute a direct liability of the Chinese government.

Provision was made for the appointment of a Chinese Chief Inspector and a foreign Associate Chief Inspector. The present Associate Chief Inspector is Frederick Hussey-Freke. Up until this time, generally speaking, the collections from the Salt Revenue were first placed in the hands of the Group Banks, and when the loans directly covered by the salt revenue had been provided for, the balance was theoretically turned over to the Chinese Government. In recent years, owing to the disorganization in the country, various provinces retained a great deal of the revenue and the total collections considerably declined.

The particular point that has arisen recently is that, although the debts due under the salt revenue, owed to British and French banks, are being duly paid, the Japanese banks and investors are trying to get hold of some of the surplus revenue for the purpose of securing the repayment of debts which are not specifically provided for in the agreement concerning the salt revenue. When several weeks ago the Japanese point of view was not accepted by the French and British banks, the Japanese announced that they would take their own measures.

In the meantime T. V. Soong, Minister of Finance, last week issued a statement that while the Salt Inspectorate will continue to function and collect revenue, it will no longer be entrusted with the custody of any funds except those provided by the Ministry to meet the foreign loan service. Mr. Soong added that these funds will be furnished from collections of the different salt districts but the Ministry assumes full responsibility for making adequate provision for the loan services.

This statement by T. V. Soong seems to have induced the British and French to join with the Japanese in a protest in which they pointed out that this fundamental alteration by the Ministry of Finance of the terms of the Reorganization Loan Agreement was not to be accepted by the Governments concerned as a satisfactory alternative.

One of the paragraphs in the protest reads: "If the National Government of China vary by unilateral action the terms of international agreements, the responsibility for any consequences which may flow from such action must rest on their shoulders, and in particular they must take full responsibility for liquidating all loans secured thereunder, whether the scheme which they thus propose to bring into use proves successful in producing the requisite amount of revenue or not."

And now it remains to be seen what effect this protest will have and whether the Minister of Finance will change his program. In the meantime the Japanese are pressing for some arrangement whereby their unsecured loans may be met out of the salt revenue.

The Salt Gabelle authorities at Kalgan have received a message from Peiping confirming the appointment of General Yen Hsi-shan's nominee, Ao Ping as salt Inspector for the Kalgan District. This appointment had been opposed by British interests.

## Student Thought Hoover Might Know "Too Much" About China

An American woman teacher in one of the local mission schools was explaining to her history class the details of the recent American election. One of the students, the son of an official of the National Government, interrupted the discussion to ask the teacher whether she personally favored Hoover or Smith. The teacher replied to the effect that she personally favored Mr. Hoover "because he had once lived in China and might be expected for this reason to view the subject of Sino-American relations more sympathetically." The student thought this over for a time then remarked, "If Mr. Hoover once lived in China and thoroughly understands the situation; this might not be of benefit to China." The teacher is said to be still puzzling over the implication of this remark.

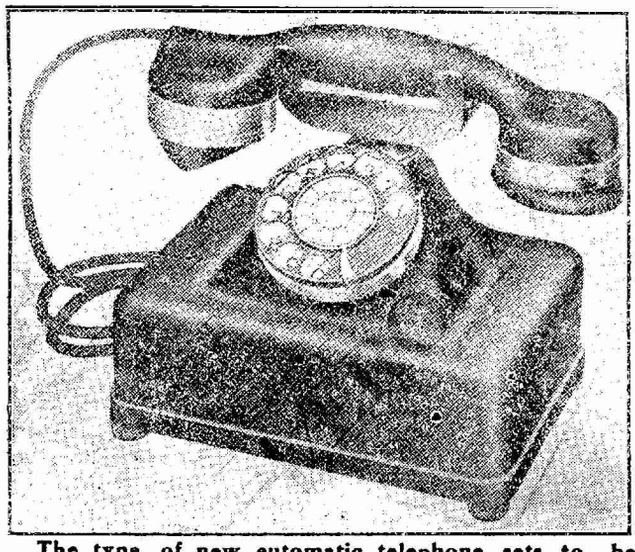
## Nanking's New American Phone System to Cost G$ 1,800,000

The Telephone Administration of the National Government Bureau of Communications has signed a contract with the Automatic Electric Co., Ltd., of Chicago, providing for the installation in Nanking of a complete Strowger Automatic Telephone System which will replace the existing manual switchboards there and at the same time furnish additional facilities to meet the rapidly increasing demand for telephone service. The announcement was made last Saturday by Harry S. Janes, General Manager in the Orient for the Automatic Electric Company, who with K. T. Long, manager in China for that Company, arranged the contract directly with the National Government.

The new Nanking system will have a capacity for 9,000 subscribers. Three offices will be established and will be known as the Central, Hsiakwan and North. In addition there will be repeaters for service to Pukow and Puchun. Complete underground and aerial cable systems as well as submarine cable across the Yangtsze River to Pukow, and aerial lines to Puchun, will be installed in order to make possible at any time the extension of the dialing service (automatic device attached to each telephone) to the territory adjacent to the capital. It is expected that the construction will begin in March, 1929, the lines and cable to be laid under the direction of the Telephone Administration and the switchboards to be installed by the Americans. The entire construction involves an expenditure of approximately G$1,800,000. It is reported that approximately one third of amount already has been paid and that the understanding is that sizeable installments will be paid as the work progresses.

In discussing the new system Mr. Janes explained that it will operate upon a five digit basis, i.e., five turns of the dial will be sufficient to connect any two lines in Nanking. Also any subscriber in Pukow or Puchun will be available through any line in the capital. However, no definite plans have yet been made for the conversion of the Pukow or Puchun systems to automatically controlled areas, both now being served by the old manual sets.

The equipment of the automatic telephone offices in Nanking will consist of two sets of storage batteries, motor generating charge sets, oil engine driven dynamos, ringing machines and testing officers' desks. The Central Office will contain an "Information Bureau" which will serve all lines in Nanking.



**The type of new automatic telephone sets to be installed at Nanking.**

The Automatic Electric Company are pioneers of the Strowger Automatic System, an invention made thirty-five years ago by the Strowger Brothers, of Kansas City. Mo. It has been adopted by cities in Canada, Australia, New Zealand, India, the Philippines, Hawaii, Cuba, England, Japan and many other countries and it is in extensive use throughout the United States being applied both by the independent and Bell Telephone Companies. It has already been installed in Harbin and Dairen by the Automatic Electric Company and at present this organization is converting 1,500 manual phones in Foochow to the automatic type, at a cost of approximately G$80,000. The company also is establishing lines in Changzu and Changchow. More than 5,000,000 Strowger Automatic 'phones are said to be in use. Locally these phones are being used by the Public Works Dept. and the Electricity Dept. of the Shanghai Municipal Council, the International Committee Y. M. C. A., Traction House, the Commercial Press and others. The Shanghai Telephone Company, however, still uses the old European type of manual control, a system which has proved unsatisfactory and has long been antiquated in progressive cities throughout the world.

When the Nanking installations are completed, that city will have a service comparable in efficiency and modernity with any of similar size in other countries.

Following closely the announcement of the success of Roy DeLay and the Radio Corporation of America in securing the G$170,000. contract for the building of several powerful radio transmission and receiving stations in China, as well as other important contracts recently secured by American firms, this news of the telephone construction to be undertaken by the Automatic Electric Company seems definitely to indicate that leaders of China's Reconstruction program are following a policy of close cooperation with those in control of America's superior industrial and economic facilities.

## New Shanghai College Library is Dedicated With Appropriate Ceremonies

The new library of Shanghai College was dedicated November 17, when a number of interesting speeches were made, all in Chinese.

The President of the College, Dr. Herman Chan-en Liu, presiding, made a felicitous preliminary statement and introduced the speakers with appropriate remarks. The Library was largely a result of Dr. Liu's ability and interest in raising the necessary funds.

Dr. C. T. Wang, National Minister of Foreign Affairs, spoke after the report of the Library Funds Campaign Committee had been made by Tsien Djen Ya and Gin Beh Min.

Dr. Wang in his talk reminded the students that primary and secondary schools did not make campaigns for founding libraries because they did not need them. But a university needed a library and, having the need, there was the inner urge that produced the energy required to accomplish the desired result. That was the method by which anything great was accomplished, and, continued the speaker, this same process must be followed in getting a new China.

Dr. S. K. Wei, Commissioner of Education, the next speaker, congratulated the College on its achievement.

Dr. Hu Shih, the noted educator, spoke of one of the slogans that had been used much of late, namely, that one referring to the "cultural aggression" of the foreigners. He assured his hearers that instead of lamenting, they should welcome this "cultural aggression."

The last speaker was Y. W. Wong, manager of the Commercial Press. He divided his remarks into three parts. He said that the College program of needs had included a gymnasium and several other improvements but the first effort made had been to get the Library, showing that the students were truly interested in study. He therefore congratulated them on getting the most needed institution and building. Second, he said, now that they had the building they should buy books. Buy foreign books Buy Chinese books. His remarks coincided with those of Dr. Hu Shih as to the vital necessity of modernism. Thirdly, Mr. Wong spoke of his own method of tabulation and filing of Chinese books by the four corners of the first character of the name of the volume.

## Dr. C. T. Wang Entertains Shanghai Newspapermen

Dr. C. T. Wang, Minister of Foreign Affairs of the National Government, entertained Shanghai newspapermen at luncheon at the Majestic Hotel on Monday, Nov. 19. Those present included, W. Turner, *Reuters;* H. F. Misselwitz, *New York Times;* T. F. Millard *New York Herald-Tribune;* M. J. Cox, *Reuters;* M. J. Harris, *Associated Press:* J. B. Powell, *Chicago Tribune* H. P. Mills, *United Press;* G. Burton Sayer. *Shanghai Times;* A. P. Finch, *Shanghai Times;* O. M. Green, *North-China Daily News;* G. Lloyd, *Shanghai Mercury;* Mr, Alcock, *Evening News;* J. Plaut, *German Trans-Oceanic;* Francis Zia, *Noon Express;* H. Hata, *Shimbun Rengosha;* George E. Sokolsky, *Far Eastern Review;* George Bronson Rea, *Far Eastern Review;* C. J. Laval, *China Press;* C. S. Kwei, *China Critic;* D. C. Liu, *China Critic;* C. H. Lee and Samuel Chang. *Kuo Min News Agency;* J. A. Fontenoy, *La Journal de Shanghai;* S. K. Tso, Nathaniel Peffer, *New Republic;* Carroll Lunt, *China Digest;* Dr. C. C. Young, Councillor, Foreign Office; H. K. Kwong, Consul-General, Manila; K. L, Kwong, Intelligence Office, Ministry of Foreign Affairs; W. C. Chang, Director Intelligence Department, Ministry of Foreign Affairs; I. Ikeda, *Toho News Agency.*

Francis Zia, on behalf of the Publicity Department of the Kuomintang Party, invited the various Shanghai newspaper men and correspondents of American, European and Japanese newspapers to visit Nanking as the guests of the party for a day's inspection of the city and government departments.

# An Economic Interpretation of the Manchurian Question*

BY CHEN PING-TSANG

THERE are certain areas on the political map of the continents which seem to have been predestined to form entangled knots of conflicting interests and to create thorny problems of international relations because of their economic advantages, natural and adventitious. Of such areas a very prominent if not ranking place has been assigned to Manchuria, where the vital interests of three Powers—China, Japan, and Russia—are closely interwoven and in their progressive development are bringing about a delicate international situation. In order to understand the intricacies of international politics in Manchuria, therefore, it is necessary to grasp the importance of Manchuria's foreign trade which may be regarded as the sum total of the products of its economic life.

The trade of Manchuria first gained importance when Chinese merchants from both the North and the South of the country met at Kaiping, Fengtien, to buy and sell wild cocoons. With the opening in 1858 of Newchuang as a treaty port, which became the commercial centre of Manchuria, the import and export trade of Manchuria acquired an important international aspect. From then on, the commercial development of Manchuria has been steady and rapid. This may be shown by the establishment in quick succession of customs offices in different parts of the territory: for instance, in Dairen, Antung, and Tatungkow in 1905; in Manchuli and Suifenho in the following year; and in Harbin, Sansing, Aigun, Lungchingtsun, Hunchun, etc., subsequently. Among these cities, Dairen developed most rapidly, largely due to its favorable location on the South Manchurian Railway, and soon it outgrew Newchuang as the most important centre of foreign trade in Manchuria.

### The Growth of Trade

Both the import trade and the export trade of Manchuria have grown by leaps and bounds during the recent years on account of the increasing output of agricultural products and the rapid development of banking and transportation facilities. The following table represents the growth of Manchuria's foreign trade during the first fifteen years of the Republic:

| Year | Import | Export | Total |
|---|---|---|---|
| 1912 | (HK)Tls 94,640,621 | (HK) Tls 89,309,545 | (HK) Tls 183,950,166 |
| 1913 | 112,033,168 | 113,931,815 | 225,965,983 |
| 1914 | 112,409,981 | 108,872,936 | 221,282,917 |
| 1915 | 108,111,646 | 130,084,502 | 238,196,148 |
| 1916 | 129,545,872 | 130,807,129 | 260,253,000 |
| 1917 | 158,562,010 | 161,120,591 | 319,682,511 |
| 1918 | 177,219,156 | 167,856,166 | 345,075,322 |
| 1919 | 231,303,953 | 212,008,762 | 443,312,715 |
| 1920 | 205,129,451 | 225,931,429 | 431,060,880 |
| 1921 | 218,187,674 | 234,407,892 | 452,595,566 |
| 1922 | 196,432,072 | 274,661,906 | 471,093,978 |
| 1923 | 207,055,228 | 293,928,940 | 500,984,168 |
| 1924 | 200,648,470 | 269,018,082 | 469,666,552 |
| 1925 | 244,721,505 | 312,368,194 | 557,089,699 |
| 1926 | 277,433,526 | 370,149,491 | 647,583,017 |

From the above figures it may be seen that from about Tls 184,000,000 in 1912, the total import and export trade of Manchuria increased to almost Tls 648,000,000 in 1926. In other words, the trade was more than tripled in a period of fifteen years. This rapid and on the whole steady progress is particularly noteworthy in view of the fact that political unrest, currency depreciation, and financial strain owing to the raising of war funds in Manchuria during the recent years, must have retarded the pace of commercial development.

As between import and export, the balance of Manchuria's trade has been, with a few exceptions, in favor of export due to the rapid development of Manchuria's raw materials demanded abroad. To take the same years for comparison, in 1912 Manchuria imported more than it exported, but in 1926 its export exceeded its import by more than Tls 92,000,000.

Again, a comparison of the corresponding rates of increase shows that the development of export has been faster than that of import. During the period 1912-1926, the export increased by more than Tls280,000,000 or over four times; on the other hand, the import increased by only Tls 172,000,000 or less than three times. Consequently, during the same period, the ratio of the export to the total foreign trade increased from 48% to 57%, while that of the import to the total trade decreased from 52% to 43%. These figures indicate two facts: (1) The rapid internal development of Manchuria in the recent years, and (2) Although Manchuria is becoming increasingly important as a market for imported industrial products, its greater importance lies in its being a vast source of food supply and raw materials vital to the nations.

### South Manchuria's Importance

Territorially speaking, the commercial development has been more rapid in South Manchuria than in North Manchuria. By South Manchuria is meant that portion of Manchuria which extends along the Peking-Mukden and the South Manchurian Railways with its centre at Mukden. By North Manchuria we refer to that portion which extends along the Chinese Eastern and the South Manchurian Railways, its centre being Harbin. The former embraces such commercial cities as Dairen, Yingkow, (Newchuang) Antung, and Tatungkow; the latter, Aigun, Lungchingtsun, and Hunchun. The trade of North and South Manchuria may be compared by the following table:

| Year | South Manchuria | | North Manchuria | |
|---|---|---|---|---|
| | Volume of trade | Ratio to total trade of Manchuria | Volume of trade | Ratio to total trade of Manchuria |
| 1912 | (Hk)Tls 136,202,236 | 74% | (Hk)Tls 47,747,930 | 26% |
| 1913 | 160,389,463 | 71 | 65,576,520 | 29 |
| 1914 | 161,265,983 | 73 | 60,016,934 | 27 |
| 1915 | 182,078,295 | 76 | 56,117,853 | 24 |
| 1916 | 182,477,730 | 70 | 77,875,271 | 30 |
| 1917 | 244,345,174 | 76 | 75,337,337 | 24 |
| 1918 | 293,457,037 | 85 | 51,618,285 | 15 |
| 1919 | 377,050,149 | 85 | 66,262,566 | 15 |
| 1920 | 362,794,601 | 84 | 68,266,279 | 16 |
| 1921 | 376,549,883 | 83 | 76,045,683 | 17 |
| 1922 | 395,263,204 | 84 | 75,830,774 | 16 |
| 1923 | 434,790,403 | 87 | 66,193,765 | 13 |
| 1924 | 395,767,619 | 84 | 73,898,933 | 16 |
| 1925 | 484,358,735 | 87 | 72,730,964 | 13 |
| 1926 | 547,640,506 | 85 | 99,942,511 | 15 |

The above figures show that in respect of the volume of trade, South Manchuria has always been far more important than North Manchuria. In 1926, even though the trade of North Manchuria witnessed a sudden increase of more than Tls. 27,000,000 over that of the previous year, it nevertheless amounted to less than one-fifth of the trade of South Manchuria. Between 1916 and 1926, South Manchuria's share of the total trade of Manchuria rose from 70% to 85% while, North Manchuria's quota declined from 30% to 15%. This undoubtedly is due to the fact that the progress in South Manchuria has been faster than the corresponding progress in North Manchuria. As indicated by the above figures, the increase of North Manchuria's trade is only about two times between 1912 and 1926, while that of South Manchuria is more than four times during the same period. Obviously political uncertainties in Soviet Russia were largely accountable for the slow progress of North Manchuria's trade since 1916.

### Three Groups Contribute

The significance of the increasing commercial importance of South Manchuria cannot be fully grasped without reference to the countries which have commercial interests in the territory. These countries may be divided into three groups; namely, (1) the rest of China, (2) Japan, and (3) other countries.

With reference to import, statistics show that in 1913 the import from the other parts of China constituted 45% of the total import of South Manchuria; that from Japan, 41%; and that from other countries, 14%. During the period of the European War, however the import from Japan steadily increased until in 1916 it eclipsed the import from the rest of China and in 1919 it constituted 48% of the total import of South Manchuria. In 1926, the ratios between the imports from the three sources and the total import of South Manchuria were: 43% from Japan, 39% from the rest of China, and 18% from other countries. As a commercial market, then, South Manchuria, a Chinese territory, has since 1916 been yielding greater profit to Japan than to the rest of China. The following table shows the amount of annual import into South Manchuria from the different sources during 1921-1926:

| Year | From the rest of China | From Japan | From other countries |
|---|---|---|---|
| 1921 | (HK)Tls 77,698,294 | (HK)Tls 78,018,036 | (HK) Tls 26,758,476 |
| 1922 | 69,675,360 | 74,998,235 | 30,660,062 |
| 1923 | 80,858,574 | 73,103,810 | 34,079,964 |
| 1924 | 69,392,450 | 68,273,170 | 44,661,307 |
| 1925 | 90,921,351 | 92,521,980 | 41,183,778 |
| 1926 | 95,505,634 | 107,677,003 | 44,951,582 |

*Contributed concurreutly to the China Critic.

### Japanese Predominate

A similar story of Japanese economic penetration and ascendency is told in the export trade of South Manchuria, of which the Island Empire has always had the lion's share during the recent years. In 1913, the export to Japan amounted to 48% of the total export of South Manchuria; that to the rest of China, 45%; and that to other countries, 7%. Since then, moreover, the export to Japan has been keeping pace with the increase of import from Japan, so that in 1919 it rose to 57%. After the European War, however, the export to European countries has greatly increased, due to the large demand for Manchurian wheat, bean oil, and miscellaneous food staples. In 1926, the exports to the different countries bore the following ratios to the total export of South Manchuria: 49% to Japan, 31% to the rest of China and 20% to other countries. The following table shows the amount of annual export from South Manchuria to the different countries during 1921-1926:

| Year | To the rest of China | To Japan | To other countries |
|---|---|---|---|
| 1921 | (Hk) 57,506,854 | (Hk) 102,837,914 | (Hk) 33,730,309 |
| 1922 | 91,233,310 | 99,251,419 | 29,444,818 |
| 1923 | 81,073,910 | 130,545,364 | 35,128,781 |
| 1924 | 49,666,986 | 123,636,561 | 40,137,145 |
| 1925 | 87,962,310 | 128,335,586 | 43,433,730 |
| 1926 | 94,811,271 | 14,7645,716 | 57,049,300 |

### Dairen the Chief Port

Turning now to the relative importance of the commercial ports in Manchuria, we find that Dairen, South Manchuria, is by far the first. In 1926 the trade of Dairen occupied practically 56% of the total trade of Manchuria. Dairen is not only the chief commercial centre in Manchuria, it occupies also an important position in respect of China's customs revenue. In 1916 the principal ports of China were Shanghai, Hankow, Canton, Tientsin and Dairen in the order mentioned. In 1919, when the European War was at its height, Dairen suddenly rose to be the second port in the country, surpassing Hankow, Canton and Tientsin, Subsequently, owing to the rapid progress of Tientsin and Hankow, Dairen became the fourth in importance. But judging from its present rate of development, the trade of Dairen has immense possibilities in the future. In 1911, but 1,968 vessels of 2,994,487 tons called at Dairen. In 1926, 3,746 vessels of 9,927,480 tons called at the port.

Below is a table showing the annual customs receipts of the principal ports in Manchuria during 1921-1926:

| | Dairen | Newchuang | Antung | Harbin | Aigun | Lungchingtsun | Hunchun |
|---|---|---|---|---|---|---|---|
| 1921 | (Hk) Tls 241,293,223 | (Hk) Tls 69,907,185 | (Hk) Tls 65,349,476 | (Hk) Tls 62,533,221 | (Hk) Tls 8,954,635 | (Hk) Tls 3,082,523 | (Hk) Tls 1,475,304 |
| 1922 | 249,041,177 | 72,509,944 | 73,712,083 | 62,182,750 | 8,886,078 | 3,360,381 | 1,511,565 |
| 1923 | 259,959,692 | 86,650,528 | 88,180,183 | 52,460,990 | 7,124,763 | 5,025,790 | 1,582,222 |
| 1924 | 263,968,843 | 64,385,987 | 67,414,789 | 61,915,800 | 5,728,912 | 4,650,290 | 1,603,931 |
| 1925 | 304,909,742 | 92,719,627 | 86,729,366 | 63,169,275 | 3,931,045 | 3,940,008 | 1,690,636 |
| 1926 | 362,315,346 | 92,149,951 | 94,175,209 | 86,489,100 | 4,121,335 | 7,176,751 | 2,155,295 |
| Ratio to total trade in 1926 | 56% | 14% | 14% | 13% | 6% | 11% | 3% |

The relative importance of Dairen to the different countries that trade with it may be represented by the following table showing the tonnage of foreign ships calling at the port in 1911 and 1926:

| | 1911 | | 1926 | |
|---|---|---|---|---|
| Nationality | Ships | Tonnage | Ships | Tonnage |
| Japanese | 508 | 1,067,274 | 2,486 | 6,625,407 |
| Chinese | 1,375 | 1,773,775 | 759 | 837,018 |
| European | 8 | 40,092 | 442 | 2,134,726 |
| American | — | — | 53 | 318,459 |
| Others | 77 | 113,446 | 6 | 11,870 |

### Staples of Import and Export

Finally, the commercial importance of Manchuria may be analyzed with reference to its staples of import and export. Statistics show that Manchuria's exports to Japan and other countries consists largely of vital farm products, principally beans and wheat. Indeed, the bean trade is so important that Manchuria has been called "The Land of Soya Beans". Thus, in 1926, soya beans, bean-cakes, and bean-oil constituted 49% of the total export of Manchuria, amounting to more than Tls. 148,000,000. Next to them were coal, which amounted to over Tls. 35,000,000; maize, Tls. 23,000,000; kaoliang, Tls. 11,000,000; wild silk, Tls. 10,000,000; Indian-corn, Tls. 9,000,000; and other bean products, Tls. 7,000,000; The following table shows the principal articles of export and their value during 1921-1926 arranged in the order of their relative importance in 1926:

| Article of export | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 |
|---|---|---|---|---|---|---|
| Bean-cakes | $53,679,565 | $58,072,138 | $63,125,248 | $58,812,351 | $57,164,937 | $71,926,517 |
| Soya beans | 34,074,381 | 39,164,538 | 42,055,939 | 40,184,727 | 54,204,489 | 47,313,730 |
| Coal | 8,034,499 | 1,462,752 | 17,622,331 | 18,265,454 | 23,809,174 | 35,201,694 |
| Bean oil | 16,001,920 | 14,367,410 | 18,788,901 | 15,887,453 | 19,913,047 | 27,875,559 |
| Maize | 2,493,751 | 6,591,058 | 10,632,678 | 15 649,367 | 19,341,945 | 23,549,041 |
| Kaoliang | 8,326,085 | 23,664,024 | 15,847,250 | 5,580 935 | 16 576,212 | 11,959,905 |
| Wild Silk | 13,077,315 | 11,242,321 | 15,539 271 | 8,332,245 | 11,380,227 | 10,493,915 |
| Indian corn | 2,744,197 | 6,432,185 | 4,871,016 | 2,053,150 | 5,215,560 | 9,413,935 |
| Other bean products | 3,052,476 | 3,834,138 | 4,126,065 | 5,147,760 | 5,519,541 | 7,154,730 |
| Timber and bamboo | 5,212,318 | 5,462,017 | 13,262,030 | 4,693,347 | 12,356,312 | 4,834,528 |
| Iron & iron products | 3,268,981 | 2,743,845 | 3,073,340 | 3,283 235 | 3,382,769 | 4 620,655 |
| Medicine & allied articles | 1,325,395 | 1,259,042 | 1,224,345 | 1,299,865 | 1,368,134 | 1,969,589 |
| Sesamum | 1,120,777 | 1,691,378 | 2,318,914 | 1,776 295 | 1,534,847 | 1,288,688 |
| Cocoons | 2,250,712 | 3,787,121 | 2,348,782 | 1,260,746 | 1,198,977 | 893,020 |
| Other articles | 1,276,515 | 2,065,298 | 2,295,926 | 2,225,312 | 2,530,171 | 4,329,764 |

On the other hand, Manchuria's most important articles of import consist of machinery and other iron and steel products, owing to the recent growth of its industry. The following list of the principal imports of Dairen during 1926 represents what Manchuria buys in exchange for its raw materials:

| | | |
|---|---|---|
| Steel bars | Piculs | 428,413 |
| Iron Pipes & tubes | ,, | 63,580 |
| Rails | ,, | 582,556 |
| Iron & steel sheets & plates | ,, | 133,264 |
| Galvanized iron sheets | ,, | 31,332 |
| Textile machinery | Taels | 187,420 |
| Other machinery | ,, | 1,616,766 |
| Locomotives & tenders | ,, | 1,080,256 |
| Railway carriages & wagons | ,, | 1,700,082 |
| Electrical material & fittings | ,, | 2,275,998 |
| Shirtings | Picces | 393,116 |
| Jeans | ,, | 88,347 |
| Dyed cottons | ,, | 237,559 |
| Clothing, hats, etc. | Taels | 955,977 |
| Kerosene oil | Gallons | 6,989,606 |
| Lubricating oil | ,, | 1,820,108 |
| Gasoline, Benzine, Naphtha, Petrol | ,, | 1,766,095 |
| Paper | Piculs | 133,115 |
| Soda | ,, | 168,025 |
| Tobacco | ,, | 65,229 |
| Fish & fishery products | ,, | 209,530 |
| Flour | ,, | 1,512,119 |
| Paraffin wax | ,, | 60,400 |
| Stationery | Taels | 543,945 |
| Household stores | ,, | 822,228 |
| Cigarettes | Mille | 801,827 |
| Rice & cereals | Piculs | 127,957 |
| Sugar | ,, | 289,234 |

In the above cursory review of the economic development of Manchuria, we have only incidentally touched on the increase of population, the growth of industry and agriculture, and the development of railways. These, to be sure, are all important economic movements, but they are factors which in the last analysis find expression in the general trade of the land. If then the foreign trade of Manchuria can be taken as the index of its economic importance from the international point of view, a few facts of political significance may obviously be deduced from the above analysis.

### Manchurian Problem Analyzed

In the first place, the problem of Manchuria, as one writer has pointed out, has not arisen out of temporary conditions and casual circumstances. Its origin lies in factors which have for their base irresistible tendencies of national expansion. In the case of Japan, whose economic interests as represented by her trade with Manchuria have come to eclipse those of China and other countries, the tendency is that of solving economic difficulties in obtaining supply of vital resources and outlets for

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# Shanghai—its Territorial and Constitutional Problems

BY TSEN-KWAN SHEN

CLOTHED under the magic gown of exterritorial evils, aggravated by the armed interference of Western Imperialism, and implicated by the aggressive handle of an alien propaganda of commerce, Shanghai has represented itself in our eyes, with regard to its territorial affairs, as the bone of Sino-Foreign controversies. Under the pressure of these exotic forces, China has almost lost her territorial control over Shanghai area. The deprivation of China's territorial right has invited countless evils which have formed the basis of subsequent international controversies. Often a Chinese land proprietor falsely registers his ownership in the name of a foreign merchant in order to set up a defense against the third party. The extension of municipal roads outside the limits of the settlements goes on constantly. There seem to be no fixed boundaries between the concessions and Chinese territories for the continuity of territorial extension, which makes the area of the former grow larger and larger, and has successively intensified the bitter reactions of the Chinese people.

In order to ease the friction of territorial troubles, an official organ was established early in the year 1889. It is commonly known as the Shanghai-Paoshan Land Measurement Bureau and it governs the controversies arising from the leased territories between Shanghai and Paoshan Hsien. In the former days this bureau was subject to the control of the Taotai's Yamen. But, during the late reign of Emperor Kwang Hsu when the Commissioners of Foreign Affairs had been appointed to the open ports for representing China to negotiate directly with the foreign consular bodies on Sino-Foreign controversies, the Shanghai Paoshan Land Measurement Bureau became a branch office of the Bureau of Foreign Affairs for Kiangsu. After the arrival of the Nationalists since last year, under the newly organized Bureau for Special Municipality of Shanghai and Woosung, there was established the Land Department, the function of which is to represent the Municipality in the settlement of territorial troubles between Chinese and aliens. It indicates apparently the conflicting powers of two official bodies, leading us to the realisation of the hardships in solving Shanghai territorial questions. It is a rather more puzzling question when we begin talking of the retrocession of the Concessions.

### Causes For The Rapid Increase of Land Value

In discussing the rapid increase of Shanghai land values the facts disclosed are phenomenal. About fifty years ago, Shanghai was but an old fashioned city in a deplorable condition, and its position was far from being comparable with Hankow or Canton—cities of historical fame. But the situation is now reversed. Hankow and Canton seem to advance backward; and the laurel of commercial and political supremacy decidedly belongs to Shanghai—the adolescent city whose rapid growth has raised it to such an indisputable position, to which we can scarcely find an equivalent in the Far East. The throbbing of trade has been the immediate cause of making land values increase. As a rule, land values are always co-extensive with the prosperity of commerce. Fifty years ago the trade of Shanghai was estimated not to exceed Taels 100,000,000; twenty-five years ago it was only approximately Taels 250,000,000. But it now exceeds Taels 12,300,000,000. Also, annual shipments amounted to only 3,000,000 tons in those days. They are now more than 30,000,000 tons. (According to the report of Shanghai Maritime Customs House, in 1926, the total shipment of imports and exports is 33,320,000 tons.). The same striking contrast is also to be found in the change in Shanghai housing conditions. In former days we could find only a few modern buildings near the Bund, and these with several stories towered above the loosely-scattered, weather-beaten houses. But sudden growth of commerce necessitated the scientific construction of modern buildings in order to meet the urgent needs of trade. Now we find everywhere big shops, many of them almost about ten stories high, spacious "hongs" comparable with the richest firms of London and Paris and well-equipped factories whose produce is consumed in many foreign countries. The total value of the buildings within the Settlements amounts to approximately six hundred million taels. The increasing commerce, the limited territory and the urgent needs for commodious structures are the factors that cause a considerable increase of land value.

### The Factor of Safety

Another prominent factor leading to the rise of land values can be expressed in one word, safety. The kaleidoscopic forms of political complexion and the indefinite prolongation of internecine wars in China have caused constant danger to the lives and properties of her people who are compelled to find their way into the Settlements to seek freedom and safety under the shelter of foreign protection. It was the Taiping rebellion that caused the first influx of a great number of Chinese into the Settlements, the memorable service performed by whose Volunteer Corps and the gunboats from foreign countries in warding off the ravages of war had established for Shanghai an everlasting fame of safety. Shanghai was and is enshrined in the minds of the great mass of Chinese as the only place where they could and can shun the heavy extortions and exactions from their warlords, where they can cherish the high-lights of a peaceful life and enjoy a certain freedom of speech. So, Chinese continued to come into the settlements in great numbers. Every internal disturbance brought a fresh influx the "Boxer" trouble, the revolution, the attempt at counter-revolution, the inter-tuchun wars and the present Nationalist revolution. Now, in the port area, there are some 2,200,000 Chinese who outnumber all the foreigners nearly sixty to one. Chinese found it convenient to live in the concessions; and the foriegn landrenters found it profitable to exploit their holdings by building tenements for the Chinese and thus give immediate value to all lands not needed for the actual use of foreigners. The price of land keeps on increasing with the density of population. It is rather a surprising matter when comparing the striking difference in land values between the past and present.

In any discussion concerning the rapid increase of Shanghai land value, it often leads us to think of those opportunists—the land dealers—who take the opportunity to enrich themselves through the sale of cheaply bought land at a high price. They organized many realty companies for carrying on their speculative business. Most of them were foreigners, especially British subjects whose early occupancy in the port area offered them a greater chance for carrying on such profitable business. There are doubtless, many Chinese who possessed realties in the settlements. But because they are prevented from owning real properties within the limits of concessions legally in their own names, they were compelled to make continual adjustments under a clumsy method of carrying on their business in the names of foreign agents. As the right of purchase and sale of the lands was in the hands of foreigners, a large portion of the profits had to be given to them despite the fact their method of enrichment was unjust. In accordance with Dr. Sun's theory on the equalisation of land ownership, the increased value of Shanghai territory should have gone to the purse of our government, but is now left to be sucked up by those foreign opportunists.

A glance at the map of Shanghai will show us that the busiest portions in the settlements are Nanking Road and the Bund, where the land is often sold in the highest price, amounting to Tls. 275,000 to 300,000 per "mow". The value has doubled in the past five years. Everybody knows that the standard of living in China is much lower than in most countries; that most of our Chinese people live a simple life. Rents have invariably increased as the land prices have increased and goods are compelled to be sold more dearly as the rents increase. It naturally has added more weight to the burden of poor laborers in maintaining their living. Their penniless condition compels them to make constant demands for increases in their wages. To strike is the only method by which they can stand against these capitalists when their appeal fails.

### The Perpetual Leasehold—Evils of Title Deed System

Before we can safely proceed with the discussion of those evils that China has long been suffering ever since the time when Shanghai was first granted to the foreigners as the residential place, it is necessary for us to review in detail the past history of the Shanghai settlements, watching at the same time the devious tricks played by foreigners for grabbing from China her territorial rights. Foreigners got from China the right of perpetual leasedhold in Shanghai by the conclusion of the Nanking Treaty, in 1842, in which the Bund was granted to the British subjects as settlement. It was implied by both governments at the time that this grant was nothing more than a mere permission of giving the subjects of a friendly nation permssion to lease lands within a certain limited area for residential purposes. It was not expressed in the treaty that the British subjects were previleged to have the right of territorial control over the settlement. This is evident from perusing the very text of the peace treaty, in which "...they are allowed" only "...to rent or lease land...". But, when the British consul proposed to our Chinese officials on behalf of his countrymen to promulgate certain land regulations that should be made by the joint commission of representatives from the two countries, our Chinese officials agreed; and the land regulations were accordingly promulgated in 1844, in which China then gave British merchants the right of purchasing lands. Yet it is a

mistake to assume that the land sold to the British merchants carried with it the of abrogation of Chinese sovereign rights. It meant only that British subjects could have the right of enjoying the perpetual exercise of leased lands. The declaration made by the consuls of Britain, America and France in the year 1854, after the re-enaction of Land Regulations, confessed openly that China had the direct control over the territory within the limits of settlement. Lord Palmerston, the British Minister, in his announcement of British policy towards China, in 1862, remarked emphatically that the territory within the British settlements no doubt exclusively belonged to China, to whose government the peoples living within the settlements should perform the duty of paying taxes. Proved by these substantial evidences, it apparently brings us into the realization that all the real properties owned by British subjects within the settlements retain only the characteristics of perpetual leasehold, whose meaning should not be branded with that of sale.

The authoritative instrument wielded by foreigners for insisting on the enjoyment of the right of perpetual leasehold are was the Land Regulations and By-laws for The Foriegn Settlement of Shanghai North of Yankingpang, which had been subsequently altered and re-enacted with only the permission of the foreign consuls and the Diplomatic Bodies at Peking despite the disapproval of the Chinese government. But China was bound to swallow those "tin-tacks" because of her weakness. Now let us quote from the land regulations, Articles II and III which are produced as follows:

> Article II. Any person desiring to rent land or purchase houses from the Chinese proprietors, within the said limits shall do so in accordance with the provisions laid down in the Treaties of Foreign Powers with China.
>
> Article III. It having been ascertained that no impediment exists to the renting of the land, the parties interested may settle with the Chinese proprietors the price and conditions of sale, and they will then report the transactions to their Consular Representative, and lodge with him the Chinese proprietor's agreement or deed of sale in duplicate, accompanied by a plan clearly marking the boundaries. The said Consular Representative shall then transmit the same to the Intendant of Circuit, for examination. If the sale be regular, the deeds will be returned to the Consul, sealed by the Intendant of Circuit, and the purchase Money can then be paid. If there are graves or coffins on the land rented, their removal must be a matter of separate agreement, it being contrary to the custom of the Chinese to include them in agreement or deed of sale,

### Where Does the Word "Settlement" Come From

Here I would like to call attention to Article II. we cannot find such a word as "settlement" or its equavalent. With That word, in my opinion, seems to be too big and too weighty in its meaning when compared with the words "within the said limit" used in this article. By the word "settlement", usually we mean a certain territory assigned wholly to the foreigners by the native country, where they enjoy something more than residential freedom; whilst the words "within the said limit" hints that the foreigners can only enjoy, within that limited portion of territory, the priviledge of leasing land and purchasing houses for residential purposes. In the latter the foreign leasees get from the native country only the residential right within that certain place where the natives are doubtless not to be expelled; but by the former, it often represents in our eyes in the form of a picture denoting a certain place allowed to be settled only by the foreigners, over whom the native country seems to be not in the position to exercise her territorial rights. Moreover, in the third article, the place where the words "perpetual lease" should have been inserted the word "sale" was inserted and "deed of perpetual lease" was substituted by "deed of sale"—these are the remarkable footprints by which the pernicious intent of British subjects is traceable. So the bargain between Chinese land proprietors and foreigners within the settlement was gradually called "sale" rather than of a "perpetual lease". Gradually the land within th settlement was only allowed to be bought by foreigners; and gradually the Chinese land owners within the settlement found that they no longer could retain the title or ownership without obtaining the registration from foreign consulates in the names of those foreign merchants.

### The System of Registration

Going one step further the foreign merchants proceeded to register what they bought from Chinese land proprietors in their consulates for seeking protection. They still felt unsafe; they appealed to the taotai for the recognition of their right, This favor was granted, thus leading to the embodiment of what we called a title deed, that is the deed which was issued by taotai in compliance with the supplication made by the consuls on behalf of their people. As the Chinese official was ignorant of what a territorial right is, the title deeds were granted without much questioning about their legal competency. Moreover, in such deed, the location of the land in question was not mentioned. How great the evils thus involved were is hard to say. It was not until the reign of Tung Chi that the application for such deed required to be sent together with the original deed in accordance with whose detailed description the commissioner, appointed by the taotai, went to examine by himself; and immediately after such procedural ceremony the deed was issued. But it was not a single-handed matter. In the 15th year of Kwang Hsu a bureau for land measurement was organised under the direction of the taotai, governing all the matters mentioned in the application for title deed. So, thereafter, the deed was issued by the Land Measurement Bureau after the land had been measured and its bearings approved. It ripened into a custom which is still followed to-day.

The process through which such deed is obtained is said to be the transfer of lots. In the first place, the foreign merchants after settling with the Chinese proprietors the price and conditions of sale, report to the consular representative and lodge with him at the same time the Chinese proprietor's agreement or deed of sale. It is conducted usually through the hands of lawyers, chartered accountants, or realty companies. By the consular representative, the same is then transmitted to the Land Measurement Bureau. An official sent by the Land Measurement Bureau takes charge of making the investigation upon the merits of the lodged deeds or agreement, measuring the land in the presence of representatives from the Consulate and Municipal Council. When the sale is found to be regular, the deeds will be returned under the seal of the Intendant of Circuit. Thus the transaction is said to be performed.

But we find many difficulties in the transfer at the time of fixing the bearings of the land and questioning the merits of the deed; for as a prevailing custom in Shanghai, the title of the land in question is required to be proved by a Fangtan, the old deed with official seal possessed in the hand of the Chinese proprietor, which is often cut into pieces when the land has passed into the hands of mortgagees. So it is not a strange sight in Shanghai for us to find that such deed has been cut into more than four or five pieces as the land is again mortgaged by the first or second mortgagees. Sometimes the title of the present vendor is not confirmable by the piece in his possession and the remnants are located with great difficulty as they are passed from hand to hand. Moreover the situation becomes even more complicated when the boundaries are required to be redetermined as is the case when the land is found to be smaller than what has been stated in the deed. The Land Measurement Bureau is often baffled when facing such a dilemma.

### Beyond the Settlement Boundaries

The right of prepetual leasehold granted by China to the peoples of treaty Powers, which was intended to be confined within the Settlements, has now been extended voluntarily far beyond the original limit by those foreign merchants without receiving an approval from the Chinese officials. It is of course held to be unlawful and quite an open intrusion to the territorial sovereignty of China. But the brains of our officials must be simple; for their minds were little disturbed by those anomalous happenings at that time. They took little or no thought with regard to the applications of title deeds from those foreign merchants upon the neighboring territory of the settlements with no precedent conditions. The favor was granted by them with the magnanimous air of a coxcomb, who sold his father's priceless jewels for the value of a toy. It ripened into custom through its continual growth, to which China found herself emmeshed too late to raise any opposition. It was not until the embodiment of the Land Measurement Bureau that a plan was evolved for preventing the decadence of Chinese territorial sovereignty.

### The Plight of Pootung

It is rather a hateful sight to find the evils caused by the territorial intrusion of foreigners in the districts of Woosung, Nantao, Paoshan and Pootung. The foreigners acquired in the above-mentioned districts the right of perpetual leasehold largely through unlawful process. In the year 1894, the Shanghai Municipal Council bought from the Chinese proprietors a large piece of square-shaped land at the south of Kiangwan on behalf of the Volunteer Corps for the use as a shooting field. This transaction was performed without receiving any consultation from our official circle. It was bitterly opposed by our countrymen on the fear of the successive enlargement of the foreign settlement. But the foreign municipal authorities took no heed of it. The taotai was much baffled at that time. His dilemma was that he was compelled to take the step of hiding his diplomatic inferiority from the accusations of his people on one hand, and preserving peace with the treaty powers on the other by announcing to the public that it was but an exceptional case which had been previously arranged between himself and the representatives of the Municipal Council. This was thus put

*(Continued on page 456)*

## Radio Traffic Agreements Signed With Radio Corporation of America at Nanking

Details of the wireless traffic agreement signed by Chang Ching-kiang, Chairman of the National Reconstruction Council, representing the National Government, and A. B. Tyrrell, for the Radio Corporation of America on November 10 were given in a recent *Reuters* dispatch. The agreement contains a number of important clauses. The preamble states that the National Reconstruction Council contemplates the early erection of a radio station at Shanghai suitable for commercial communication with the Radio Corporation's stations in America, and both parties desire to operate a direct radio circuit between the United States and China for the purpose of furnishing a manual and highspeed automatic and duplex communication service.

The parties agree to the following:

I). To maintain their respective stations in a proper and efficient manner, with a sufficient welltrained staff and means for the expeditious handling of available traffic.

II). The Radio Corporation shall transmit over the said circuit every message within its control destined for China "or intended for transit through China unless routed otherwise by the sender," provided the Council reserves the Shanghai radio station exclusively for commercial purposes.

III). The Council shall transmit over the said circuit every message within its control destined for the United States unless routed otherwise by the sender provided the Corporation reserves their central control office in San Francisco exclusively for commercial purposes.

IV). Except as herein provided the radio services shall be conducted in accordance with the Regulations of the International Telegraph Convention. The word rate shall be made up as follows:

(a). Outpayments beyond the radio terminal at Shanghai which shall accrue to the Council exclusively;

(b). Radio tolls shall be divided equally between the parties; and

(c). Outpayments beyond the radio terminal in the United States which shall accrue to the Corporation exclusively.

The accounts shall be settled quarterly on the basis of the gold franc.

V). The word rates, which shall be quoted in gold francs, shall be mutually agreed upon, but shall be no higher than those of competing communication services. Reduced rates for deferred Press and other special services may be fixed mutually. The United States and Chinese Governments' communications shall be handled at half rate.

VI). Deals with the division of costs arising through congestion or breakdown.

VII). The Corporation agrees to make its international radio system available to the Council, the Council reciprocating with such facilities as it may possess for the further transmission of communications originating in the American continent or "in such other countries as the corporation may have established efficient communication."

VII). Generally each party shall co-operate with the other to secure the successful and remunerative working of the jointly operated circuit or circuits.

IX). In the event of war or public danger resulting in Government control the agreement becomes non-operative but shall be reinforced when the control ends.

X). Deals with the friendly adjustment of disputes, failing which three arbitrators are to be appointed.

XI). Either party shall be free to make traffic agreements with other nations provided clauses II and III are observed.

XII). The agreement becomes effective on the date of the opening of the said radio circuit and shall be enforced for ten years, after which it may be automatically renewed for terms of ten years unless terminated by a year's notice.

XIII). The agreement binds the respective parties, successors and assigns, while its obligations and responsibilities shall be construed; interpreted and enforced according to the laws of New York state and of China.

A practically identical agreement (within their respective spheres) has been signed by Mr. Chang Ching-kiang and Herr E. Kohen, representing the National Government and "Trans-Radio" of Berlin respectively.

## Native Products Exposition to be Held Later On at Hankow

Announcement was made during the week that H. H. Kung, Ministry and Commerce, has accepted the invitation of Marshal Li Chung-jen, chairman of the Wuhan Branch Political Council, to hold the National Native Products Exposition at Hankow following the closing of the exposition in Shanghai. Numerous invitations have been received urging the Ministry to hold the exposition in other industrial and commercial centres.

## Third National Congress of Kuomintang Is Postponed

*The opening of the Third National Congress of the Kuomintang has been postponed until March 15, 1929. The following is a translation of the order to that effect issued by the Standing Committee of the Party at Nanking at its 183rd meeting at Nanking:*

"At the Fifth Plenary Session of the Central Executive Committee it was resolved that the Third National Congress of the Kuomintang be held on January 1, 1929. It is but a little over one month between now and that date. According to recent reports of the Central Organization Department registration of Party members both in the country and abroad has for the most part not yet been completed, while some of the Provincial Headquarters or those Headquarters of equivalent standing have likewise not been formally organized. Thus, notwithstanding the efforts exerted to hasten the progress of the work in a practical way, it is certain that it will be impossible to convene the Congress on the appointed date.

"The Central Authorities have previously found it unfeasible to send notification of the opening date of the Congress; and if it be reluctantly called at this moment, not only the various Headquarters will not be in a position to elect their delegates to the Congress, due to the fact that they have not been formally organized, but also it contradicts Article 26 of the Constitution of the Party which provides that the date for the opening of the Congress must be communicated to the members three months in advance.

"For these reasons, at its 183rd meeting, the Standing Committee, after careful deliberation of the question, passed a resolution to the effect that the date for the opening of the Third National Congress of the Kuomintang shall be postponed to March 15, 1929. As regards this action of the Standing Committee in altering the decision of the Plenary Session, it will be brought up before the Third National Congress for formal indorsement in accordance with the proper procedure."

According to a *Reuter* dispatch from Nanking, the forthcoming conference will probably see the most bitter political battle yet fought in the history of the party. It will also be the first time in the country when two opposing camps struggle for the upholding of ideals, and not for political spoils. Under existing conditions the Radicals are not making any attempt now to hold any posts in the government. The Conservatives have everything their own way, and no opposition is being put up by the followers of Wang Ching-wei and Chen Kung-po. The two leaders of the Radical Camp have an immense following in the district party offices, but have very little to say in the actual decisions of the Central Kuomintang.

## Nanking Government's Expenses Much Higher than Income

Chang Shou-yung, Vice-Minister of Finance, at Nanking rrecently stated to a *Reuter* correspondent that while the monthly income of the National Government now totals $4,500,000, its expenses run up to $9,000,000, which means that the government has a monthly deficit of about $4,500,000.

According to a decision reached at the National Finance Conference, the various provinces were to hand over to the Central Government their income from various forms of taxation which are considered properly to belong to the government treasury. If this could be strictly enforced, the Government would have money for all its expenses and enough to clear up its national debts.

At present, however, only five provinces hand over, regularly, part of their income to the Central Government, according to the Vice-Minister, and their contributions total only $4,500,000 a month. The Government schedule calls for the following amounts monthly: $6,000,000 for military expenses, $1,500,000 for administrative expenses and $1,500,000 for military expenses in North China and for the disbandment of troops, which expenses cannot be met out of present revenue.

It is stated that the Canton authorities have agreed to turn over monthly $200,000 to the Central Government, and if all other provinces will hand over to Nanking $200,000 or $100,000 a month, the Government would be then in a position to meet its expenses.

The government is said to be planning to abolish likin and in its place will collect two kinds of tax, one from manufactures and another from retail merchants.

The annual income from likin totals $70,000,000. The two taxes will add about $50,000,000 to the government treasury, which sum is to be halved between the provincial governments and the Central Government.

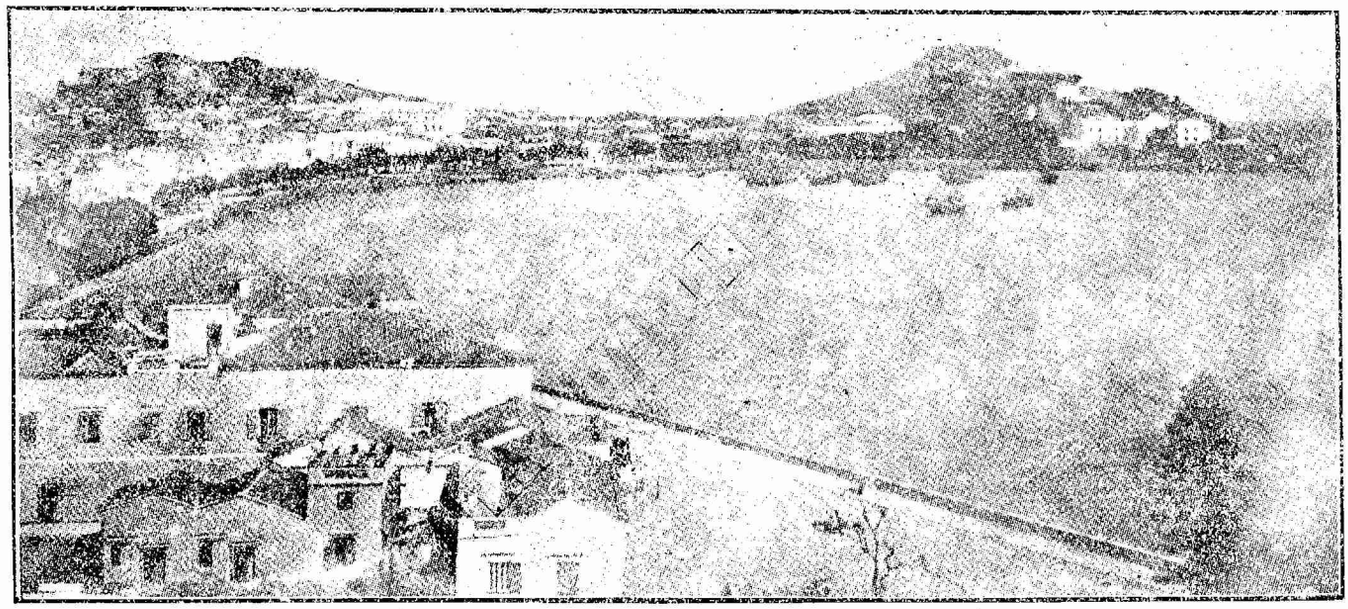
The Vice-Minister declared that the burden on the public was always heavier in the more progressive countries. "The important point is," he continued "a good government spends all its income for the benefit of its people. Our chief task is to prevent the pocketing of public funds by corrupt officials."

# The Macao Question

BY J. A. J.

MACAO has again come into its recurrent prominence by reason of the Portuguese Minister's recent visit to Nanking and his presence at this juncture in the Portuguese "colony." The "Macao question" is at the present time just as important as any other "question" which the Nationalist government of China is facing and striving to settle, and just because there is nothing else in Macao but gambling, opium and prostitution is no reason why anyone should minimize the importance of it. On the contrary, just because Macao is supported by the "three vices," every one who makes it a point to study Sino-foreign relations should pay great attention to the trend of present Sino-Portuguese relations.

The existence of Macao as a Portuguese settlement dates back from so early a period, and is so intimately connected with the first origin of European intercourse with China, that justice cannot be done to a description of this place without a comparatively lengthened survey of its ancient history. Strangely enough,not withstanding the importance of Macao during so many years as the center of the foreign trade with China, but little pains have been bestowed upon an elucidation of its records. In 1836, a Swedish gentleman named Ljungstedt, who was for many years president of a Swedish "factory" at Macao, compiled a book from his collection of historical notes but the value of this work, now out of print, was seriously impaired by numerous inaccuracies. The one



**A View of the Harbor at Macao—Portuguese Possession**

reliable authority, "Historic Macao" by Mr. Montalto de Jesus, has been suppressed by the Government of Macao. It is interesting to note, however, that the late Commander Jose Ribeiro, one time Secretary to the Government of Macao, supplied historical notes to the publishers of "The Treaty Ports of China and Japan" (1867) to the effect that neither was Macao the first place of settlement of the Portuguese in China nor was Macao until that time a possession or colony of Portugal.

### The Portuguese Pioneers

The first appearance of the Portuguese*—precursors of all other Europeans—in China took place in 1516 when Rafael Perestrello visited the Chinese coast in a junk despatched from Malacca, of which his countrymen had lately become masters. In the following year, Fernao Peres de Andrade was sent as ambassador to China on behalf of his sovereign, Manuel I. He was well received by the provincial authorities at Canton, and permission was obtained for the despatch of an envoy, Thome Pires, with an assortment of presents for the Emperor Cheng-te, at Peking. Meanwhile, however, Simao de Andrade, a brother of Fernao, had arrived from Malacca, and taken the principal command. His violent disposition led to quarrels with the Chinese, and the mission came to a lamentable conclusion. Pires was thrown into prison and eventually put to death, and Andrade and his ships were driven from the coast. The irritation evoked by Andrade's conduct was so lasting that when in 1523 a Portuguese vessel commanded by Martinho de Mello Cortinho, appeared off the coast of Kwang-tung, it was attacked by a fleet of war junks and driven off with heavy loss.

The visions of prosperous trade disclosed by these repeated voyages attracted the Portuguese again who settled at several points along the coast and notably near Ningpo (whose natives were at one time turned into Portuguese citizens wholesale at so much per!). In Kwang-tung, however, the authorities would seem to have acted for a long time under the maxim that people once bitten should be twice shy, for the remembrance of former outrages caused restrictions to be put in the way of the Portuguese who for many years were only permitted to anchor their vessels at islands off the coast. The Portuguese resorted to two stations viz., the islands of Shang-ch'wan (corrupted by the Portuguese into "St. John") and Lam-pa-cao or Lang-peh-kao. In the year 1557 permission was granted by the Chinese to the Portuguese to land and trade upon an island nearer the mouth of the Canton River to which the name "Macao" was given by the settlers. This was derived from the Chinese "A-Ma-ngao" or "post of the goddess A-Ma"—the once deep and spacious harbor which attracted the Portuguese to this spot was known to the Chinese as "Ngao-Mun" by which name they now designate the Portuguese settlement itself.

Although the date of the transfer of the Portuguese settlement from Lam-pa-cao to Macao has been distinctly preserved, great diversity prevails in the statements handed down respecting the cause of this removal. Some allege that the Chinese authorities permitted the Portuguese to establish store-houses and to anchor their vessels at Macao because the place was a desert island. Others, on the other hand, contend that the Chinese authorities availed of the services of the settlers at Lam-pa-cao in hunting down a pirate-chief named Chang Si-lao whose headquarters were on this island and whose fleet of piratical junks the Portuguese entirely destroyed. The late Commander Jose Ribeiro seemed to have been inclined to this version. "It was for the victory gained over these pirates that Macao was given to the Portuguese, *not to a sovereign, or to a Power, but to a handful of well-trained adventurers* who, though in a position to live independently, subjected themselves voluntarily to their legitimate Sovereign the King of Portugal. These adventurers, thus in possession of the place, at once set to work to found a city, which speedily flourished. Fortifications and a Church were among the first building-works undertaken. Chinese were not suffered to construct houses for their own occupation in the Portuguese town, nor were they even permitted to remain in the settlement later than sunset, until after a lapse of many years from the foundation of Macao." Ground-rent for the site was not demanded by the Chinese government until 1582. During the succeeding centuries the settlement expanded until it well-nigh covered the entire peninsula and the Chinese fearing further encroachments, built a wall across the narrow neck of land which connects Macao with the adjacent mainland and thus sought to establish a limit to Portuguese activities. This wall later passed into the hands of the Portuguese who promptly reversed the table by using it to control the Chinese

* "The Treaty Ports of China and Japan."

entering the "colony." The barrier marked the limit of Portuguese encroachment on the mainland but this was and still is the only boundary which has been definitely accepted by both sides. The Portuguese filled up the peninsula and then extended their occupation to the neighboring islands of Tai-pa and Co-lo-wan. These two islands appear to have been brought very definitely under Portuguese control. They are defended by Portuguese forts, manned by Portuguese garrisons: they are governed by Portuguese officials and equipped with Portuguese schools, Chinese anthority being conspicuous for its absence.

**The Status of Macao**

The claim of Portugal that Macao is an integral portion of the Portuguese dominions rests on no better foundation than the permission granted by the provincial mandarins to certain Portuguese subjects to settle on this site. As one authority has so ably put it, "it is absurd to suppose that the jealous government of China, in the plenitude of its power, would voluntarily cede any portion of its territory to a foreign Sovereign. Moreover, for two centuries and a half the authority of the Chinese mandarins was fully acknowledged at Macao both in judicial matters and in the levy of Customs duties. In the early days of the settlement, the administration of affairs among the Portuguese was confined to the senior captain of the ships trading to China and Japan, for which Macao was the entrepot, and from time to time a judicial officer was despatched from Goa to decide important cases. In 1583, a municipal government was organized. Two justices, three supervisors and a magistrate were associated in a body to which the title of Senate was given. These functionaries were at the outset all elected by the community, and the powers of the Senate were for many years very extensive. They comprised, indeed, all the functions of Government at one time. Eventually, beginning from 1628 to be precise, the Royal Government at Lisbon commenced to appoint officials from home and the first "Governor" sent out was Jeronimo de Silveira. At the time when the municipal government superseded the authority once exercised by the senior captains of the trading fleet the population of Macao had grown to a total of nearly 19,500 souls, and in 1585 the settlers assumed the title of "Cidade do Santo Nome de Deos em China" (City of the Holy Name of God in China.) Its remoteness enabled Macao to resist the intrusion of Spanish anthority during the usurpation lasting 60 years, which commenced with the pretensions asserted by Philip 11, and when in 1640 the Portuguese Sovereignty was restored by John IV of Braganza, he caused the following inscription to be placed above the portal of the Senate House:

"Cidade do Nome de Deos—Nao ha Outra Mais Leal; Em nome del Rei Nosso Senhor Dm. Joao IV., mandou o Governador e capitao Geral da Praca, Joao de Souza Pereira, por este letreiro, em fe da muita lealdade que conhecio nos moradores della. Em 1654."

(City of the Name of God—there is no other more loyal. In the name of the King Our Lord, Dom John IV., John de Souza Pereira, Governor and Captain General of this place, ordered this inscription to be set up, in testimony of the great loyalty he has witnessed in its citizens. In the year 1654.)

**When Macao Prospered**

Macao prospered exceedingly throughout the 18th century, whilst the trade of Canton was in process of development by the East India Company, owing to the increase of trade and to the presence of foreigners of different nationalities who made the place their home. The East India Company had a large establishment here, and as the restrictions placed upon foreigners at Canton grew more and more oppressive, Macao grew rapidly in importance. With the exception of jurisdiction over Chinese subjects residing at Macao, which was exercised by a Chinese officer of the rank of Sub-Prefect, the native authorities did not seek to control the settlement in any way but they resisted on several notable occasions the assertion of territorial rights. In 1749*, after repeated disputes and collisions with the local government, an agreement was arranged between a Council of the inhabitants and certain Chinese officials, which remained for nearly a century as the basis upon which the joint Portuguese and Chinese government of Macao was conducted. One of its most noteworthy provisions is that embodied in Article 5 according to which European criminals were to be surrendered to Chinese justice. Article XII (the last in the Chinese version) was omitted from the Portuguese copy of the agreement (at the instigation of the clergy) as it prohibited the conversion of Chinese to Christianity. Unfortunately for China, the negligence and proneness to bribery on the part of the Chinese officials enabled the Portuguese to evade without difficulty the fulfilment of these engagements. Again we have an illustration of Chinese Sovereignty over Macao in the fact that in 1808, when Macao was occupied by British forces landed from the fleet under Admiral Drury, who expected an attack by the French, all trade with the English was prohibited by the Governor of Canton and British subjects were ordered to remove from that place. Admiral Drury attempted hereupon to force a passage to Canton in armed boats but was repulsed, and at length deeming the security of more importance than the protection of Macao from a merely passible attack, withdrew the garrison from on shore.

From this period until the war undertaken by Great Britain in 1839-41, Macao continued to flourish as a trade center. Many handsome and substantial mansions were erected which to this day give an aspect of European civilization to the place.

**In the Early Days**

In 1848 China was preoccupied with many troubles and demonstrated her weakness to the world. Amaral, deeming the moment auspicious, declared Macao to be Portuguese territory, refused to make further annual payments, and drove out the Chinese Customs and other officials. China was not only unable to restore her sovereignty over the peninsula and the islands of Co-lo-wan and Tai-pa but found it extremely difficult to prevent Portuguese encroachment on other adjacent islands as well. In 1886 a protocol was signed to Lisbon through the efforts of the Chinese Maritime Customs, by the terms of which China, "in return for the assistance of Portuguese in suppressing the opium traffic" was to recognize "Macao and its dependencies" as Portuguese territory. The provisions of this protocol were incorporated in the treaty which was signed at Peking the following year except that the treaty itself recognized Portuguese sovereignty in "Macao" without mentioning the "dependencies." The treaty of 1887 did not set forth the boundaries of the Portuguese territory thus recognized but provided that the boundaries should be fixed by a joint commission to be appointed later. Meanwhile, the "status quo" was to be preserved. The joint commission was never appointed, the Portuguese blaming the Chinese and the Chinese the Portuguese, and there's the rub. All that the Portuguese were earnestly striving for was the expansion of the boundaries of their control and the Chinese were as earnestly trying to prevent them from doing so. And this very unstatic status has been continued to this day. It has given rise to numerous "incidents," and as long as the "Macao question" remains unfixed it will give rise to repeated "incidents,"—indeed it would not be surprising at all if it led to serious consequences.

The war of 1848 which enabled the doughty Amaral to seize Macao for Portugal also gave the British Hongkong and under the drive of British enterprise Hongkong has long since drawn practically all legitimate trade away from Macao. No longer do the ships crowd her harbor—and $12,000,000 has been wasted on harbor works!—no more is there a brisk trade in her marts; her day as an honest trader is gone and the reason for her existence has long since ceased. But it is there—a piece of flotsam left on the beach by a receding wave of European conquest. And like other flotsam left on other beaches it tends to become malodorous. Macao, deserted by legitimate commerce, has become the home of gambling, opium and prostitution. Upon these vices Macao flourishes—and now there is a further "attraction": horse-racing and two prospective attractions, scheduled to make their debut next year: greyhound racing and a casino on the island of Tai-pa! The pure-bred Portuguese officials grow rich on the spoils. The lawyers are all supposed to receive an annual retainer from the "three vices" in order that they may not take a case against them. Her people and those of the neighboring countryside are debauched and ruined while Macao spends vast sums upon fantastic enterprises to keep her tainted wealth in circulation and allow those who have the handling of it to exercise their ancient privilege of private accumulation.

**The Scattered Macanese**

There is no people who are paying greater attention to the "Macao question" than the Macanese scattered all over the East. No student of Far Eastern problems can afford to overlook the existence of this unique race. When the Portuguese adventurers first came out they, of course, brought no women with them. Indeed there is no record of any women coming out from Portugal for two centuries with the exception of a handful of nuns and wives of ship captains. The men, consequently, married Chinese women. Quite a number of traders who made periodic voyages to Japan from Macao, brought back Japanese women as wives. Others married Malay women. The children of such unions between Europeans and Asiatics are generally known as Eurasians but the Macanese are something more than Eurasians—they are unique in that they have no equal anywhere in the Orient, not even in the Philippines where the Spaniards ruled for centuries also. The children of the unions we have above described either

* "Treaty Ports of China and Japan."

married new arrivals from the homeland or intermarried amongst themselves and this process continued from one generation to another until the present time. They refuse to be classed as Asiatics nor even as Eurasians. Their features more or less bely their sentiment on this point as anyone can see for himself by paying a visit to any of the banks or commercial houses where they are employed. Their home government has never taken particular interest in their welfare although certain governors and consuls have from time to time striven to improve their general status. Moreover, the decline of Macao as a commercial center caused thousands to emigrate to Hongkong, Shanghai and other treaty ports and at the present time there are more Macanese out of Macao than in it. In Hongkong there are some 3,000 of them, in Shanghai a like number, and scattered all over the rest of China as well as Japan, the Straits and Philippines there must be another 3,000 of them. In Macao itself, they number a little over 3,000. It will, therefore, be seen that there are at least 12,000 Macanese all over the Far East—and their lot is certainly unenviable. They are making a brave fight for existence under circumstances more or less heart-rending and welfare workers who come out to the Orient to study social and labor problems ought to make the Macanese an object of investigation.

**Poor Educational Facilities**

The Portuguese Government has done nothing to ensure the education of Macanese children to fit them for the ever-increasing competition amongst commercial workers in the Orient, and as a result Chinese, Japanese and Filipinos are commencing to displace them as office clerks, stenographers, book-keepers, etc. Not even blessed with what is equivalent to British or American high school education, they are finding it more and more difficult to face the efficiency of more happily-situated Chinese, Japanese and Filipinos and the time will surely come, unless there is an outlet found for them in the interval, when their scale of wages will be reduced to conform with the standard of efficiency required by the changing times. The greater majority of the Macanese do not know their own language—English being the *lingua-franca*—and those who do not converse with each other, resort to *patois*. The Macanese *patois* is another matter worth writing about—it is of an entirely different standard to the *pidgin* English of the Treaty ports. Indeed, it may be said to be a language by itself for even the pure Portuguese newly-arrived from home fail to understand it. While it is not governed by grammatical rules of course, for there is no grammar, yet there are certain general rules which, if not followed, would evoke laughter from those well conversant with the *patois*. A plural, for example, is not formed by the addition of "s," but by doubling the singular form. Thus, "casa" is supposed to mean "house" and "casa-casa": houses. "Homen" in the Portuguese word for "man" but in the Macao *patois* it is pronounced "ome." Consequently, the plural "men" is represented by "ome-ome." In connection with *patois*, the story is told of a Macanese woman married to a Portuguese officer that when spoken to one day in pure Portuguese, and she not knowing any form of conversation but *patois*, retorted thus: "Please don't talk to me in French for I know it not!" A Macanese policeman, not well conversant with pure Portuguese, once turned in the following report to his superior officer:—

"Last night, whilst patrolling Rua do Campo, I came across the *corpse* of a *dead* man who was *naked* and he *had a knife in his pocket*. By his *conversation* he seemed to be a Chinaman." As has already been mentioned, the Macanese are paying great attention to the "Macao question" and well they may, for the future of Macao will affect them not a little. And although there may be misconceptions on this point, the fact of the matter is that the greater majority of Macanese would much rather have Macao taken away from Portugal's control altogether—although many are afraid to say so openly for fear of compromising themselves. They are quite aware that so long as Macao is controlled by Portugal so long will its commercial and industrial position remain at low ebb, with no chance of the Macanese earning a decent living there. The present rulers have been so long accustomed to making money out of the "three vices" that there is not the shadow of a chance they would ever endeavor to lead Macao back to legitimate commerce. It is useless to throw away millions and millions for harbor works when no one in authority thinks of anything else but how to introduce further gambling attractions. From *fantan*, Macao has gone in for horse-racing and from horse-racing it is going in for greyhound-racing and roulette. The Chinese government were promised that Macao would suppress the trade in opium but the trade in opium has not been suppressed. Senhor de Freitas promised General Chen Chiung-ming that something would be done to curb *fantan* but there are more *fantan* houses in Macao at present than at any time in the past.

Recently, the much-heralded Commercial Fair was opened and thousands of people thronged the Fair grounds on the opening night, hundreds having come from Hongkong and Canton—but everyone was sadly disappointed with the Fair as a legitimate proposition because about the only exhibits seen were Singer Sewing Machines and Chesterfield Cigarettes. However, there was a place where gamblers could play lotto and there was a cabaret with Russian "girls" from Shanghai and Canton over whom the Portuguese soldiers and sailors fought. At the time of writing an attempt was being made to open another cabaret, with French "girls" from Saigon.

**What Justification Has Portugal?**

In the utilitarian age in which we live one cannot help enquiring if Portugal has done anything to justify her hold on Macao through so many hundreds of years. Her legitimate trade to-day is small; she is off the highway of the world's trading ships; her harbor is gradually silting up. What of her revenues? Are they of such a nature that they can be tolerated in this enlightened age? Is it fair to China—and, for that matter, to Hongkong—to have such a neighbor? If Macao cannot live without the revenues from the "three vices," it were better for her to pass back to Chinese hands. To this day, although Macao may be described *de facto* a Portuguese possession, the Chinese persistently refuse to recognize the Portuguese claim to territorial rights. The rent paid by the Portuguese until Amaral so highhandedly declared Macao to be Portuguese territory was an acknowledgment of the right of the Chinese contention that the Portuguese were only lessees or tenants at will.

This is the crux of the whole matter: Are they tenants at will or are they in possession of their own territory? In 1887 a treaty was arranged in which one clause represents Portugal as being in "perpetual occupation and government of Macao." Another, as showing that "Portugal would never alienate Macao or its dependencies without consent of China." To-day it is not a question of alienation at all but of territorial rights. The Chinese claim the right to cruise in their own waters and to erect forts or what not in their own territory. The Portuguese Government object to this intrusion in their preserves. How is the matter to be settled? Geographically and historically Macao belongs to China; the Portuguese, through Amaral, arbitrarily denied Chinese Sovereignty.

What are the possible methods of settling the Macao question?

**A Suggestion for Joint Management**

China and Portugal have lived together so intimately and for so long a time, it is impossible to think of war as a solution. The feelings that would be stirred would be so intense and the possible repercussions so far reaching that Lisbon and Nanking had better "forget it," for in such a solution madness lies.

The question might be referred to the League of Nations: that most excellent body which can give such splendid advice but has so very little executive power. The League might suggest the return of Macao to China, but Macao is unlike Shantung or Weihaiwei, only in foreign occupation since yesterday. Again it might be suggested by some who are forgetful of the history of the past that China should buy the place back from Portugal. But China is "hard hit" and money is by no means "easy"—a very dispassionate tribunal would have to assess values.

The writer has heard it discussed in Macao by Macanese "in secret conclave" that the best solution of the "Macao question" is to put the place under joint management of China and Portugal, together with all present and future industries, with each party receiving an equal share of revenues—in other words duplicating the Sino-Soviet arrangement in respect of the Chinese Eastern Railway. The usual expenses connected with municipal administration could be met by Customs revenue and taxation. The civic life of the port could be attended to by a Municipal Council or locally elected Governing Board composed of Chinese and Portuguese. Thus would an old sore be healed. Thus would peace and prosperity be assured to the gain of China and of the world. Projected railways and roads to Canton and to the hinterland might very well materialize; local trade interests would be augmented; Portuguese prestige would in no way be affected; and with good will all round the many potentialities of this ancient center of Portuguese occupation and trade might become realities.

## Dollar Steamship Line to Build Four New Ships

The Dollar Steamship Line has decided to build a group of four speedy ocean lines, according to an announcement of R. Stanley Dollar, vice president and general manager, as published by the San Francisco *Examiner*. The first four units will cost about $7,000,000, Mr. Dollar said. It has been practically decided that the turbo-electric drive will be adopted in order to obtain the speed desired, which will exceed 20 knots on regular schedule.

Mr. Dollar said that contracts for the construction of the first group of four will be awarded before the first of the year and it will be ready for service in about two years, the other three to follow at intervals of a year each.

# The Balance Sheet of Bolshevism

BY WILLIAM HENRY CHAMBERLIN

*(In the American Review of Reviews)*

*This article is written after six years of study by the author, who has lived in Moscow since 1922 as an American newspaper correspondent. He has traveled some 20,000 miles through the Soviet Union, living among peasants, inspecting factories, and meeting all classes of official and unofficial society. He is now writing a history of the revolution, and another book on present-day Russia, the general conclusions of which are reflected here.*—THE EDITOR.

THE Russian Bolshevik Revolution, which is now approaching its eleventh anniversary, is the most impressive monument to disciplined, fanatical human will and energy that our age has seen or is likely to see. It is far and away the greatest social upheaval since the French Revolution; and thanks to firmer organization and more flexible tactics, it has placed a more definite imprint on its country's development.

While the Jacobins did not survive the destructive period of the French Revolution, the Russian-Communists have rounded a sharp turn from destruction to reconstruction. The turning point was the New Economic Policy, adopted in 1921. Amid all the economic difficulties and problems before them to-day, the Bolsheviks can look back on seven years of steady progress. Though prostrated after the ordeal of war, blockade, and revolution, Russian industry and agriculture have generally reached, and in some branches surpassed, the quantity of pre-war production.

In all history there is no upheaval of the scope of the Russian Revolution that was followed by a turn-about of anything like equal significance. Moreover, competent first-hand observers, whatever their personal reactions to Communism, are generally agreed that the Soviet system is pretty effectively guaranteed against sweeping changes. The question naturally arises: What has the Russian Revolution to show in the way of permanent results?

### The Peasant's New Status

One reasonably stable point in the vast shifting panorama of the new Russian social order is the agrarian revolution. This, with its grim accompaniment of murdered squires and burning manor-houses, completely swept from the countryside the rural nobility which formerly, together with Czar and Church, owned almost a third of the land in European Russia. Big landed proprietorship in Russia today is impossible because the buying and selling of land is illegal; and no family has a right to possess land which it does not cultivate with its own labor. Theoretically the soil is the property of the State, but in practice the peasants own and till it, subject to certain regulations prescribed by the Soviet Land Law.

The land attached to each village is divided into shares, according to the number of inhabitants, and each family receives shares according to its size. This system has produced less equality than might be expected, because the poorer peasants often lack the working animals and machinery necessary for cultivating their holdings, and are obliged to appeal to richer neighbors who usually demand half the crop as the price of their assistance.

Ever since the adoption of the New Economic Policy the shrewder, thriftier and more industrious peasants have been forging ahead of their less provident brethren in the acquisition of this world's goods, and today every Russian village has its definite groups of rich, middle-class and poor peasants. However, even the rich peasants, or kulaks, are not allowed by existing restrictions to concentrate very large tracts of land in their possession; and there seems no likelihood that they will develop into a new class of country squires like that which the revolution destroyed.

The Russian peasants have been very unresponsive to communism. They may be coaxed into entering cooperatives which are limited to buying and selling. But when it is a question of organizing agricultural communes, of working land together and sharing produce equally, the peasant's deeply ingrained suspicion that his neighbor will do less work than himself comes strongly into play. Less than 1 per cent. of the peasants have gone into agricultural communes, notwithstanding the lowered taxes and good land which the State grants to such organizations.

The small peasant proprietor is master of the Russian countryside today, and there is every indication that he will remain so. Yet the Communist goal is to replace the existing twenty-five million individual Russian homesteads, with their one-horse wooden plows and their uneconomic strips and patches of land, by a smaller number of agricultural communes which shall produce at maximum capacity with the aid of Fordson tractors and other modern machinery. But prodigious obstacles, both economic and psychological, remain to be overcome.

### Equality for Non-Russian Peoples

Almost half the population of the Soviet Union consists of non-Russian peoples—Ukrainians, Caucasians, Tartars, Jews, Turcomans, and the like. The Czarist policy of ruthlessly Russifying these minor nationalities has been reversed completely. Substituting "Union of Socialist Soviet Republics" for "Russia" as the official name of the Soviet states is symbolical of this recognition of the cultural autonomy of non-Russian peoples within the Soviet boundaries. To-day every minor nationality is not only permitted but encouraged to organize its separate administrative unit, to use its own language in courts, schools, and the transaction of public business.

### A Land of Many Tongues

One gets a vivid object-lesson in this new policy on crossing the frontier from Poland into Russia. On one side every public sign is in Polish. Then at the first Russian station one sees the name written in Russian, Yiddish, White Russian, and Polish, in recognition of the varied racial composition of the local population. The underlying principle of the Soviet nationality policy, that every people should enjoy the freest use of its own language as a means of self-expression, is eminently reasonable. Its recognition in pre-revolutionary Russia or in the Balkans would have spared a vast amount of racial friction and bloodshed.

Of course there are difficulties. Old Russian residents of Kiev and other Ukrainian cities resent being suddenly forced to learn Ukrainan, on pain of losing their positions in the State service. The young surveyor or agricultural expert, assigned to work among the Tartars or the Chuvashes, regards it as a hardship when he is compelled to study an obscure Asiatic dialect, spoken by a small people living in the Volga backwoods.

Old racial animosities have not been altogether outlived in the Soviet Union; and this is largely responsible for the fact that the new policy is not always applied with tact and moderation. Still, when every allowance has been made for its drawbacks, the nationality policy of the Soviet Government has certainly eliminated one of the major weaknesses of the Czarist Empire.

### Socialism Under Test

Ever since the coming of the modern industrial system, men have dreamed of socialism. Philosophers and economists have worked out schemes of substituting public for private ownership of the means of production. Orators have stirred the masses with pictures of a new order which would ensure freedom and plenty for all. Powerful political parties have worked for socialism through parliamentary means.

While the industrially more advanced countries of Western Europe were thus talking about socialism, technically backward Russia actually put it into practice. The Soviet state owns and operates the banks and means of communication, the mines and large factories; it monopolizes the foreign trade and exerts a strong controlling and regulating influence upon internal trade.

Communist metaphysicians dispute as to whether this constitutes socialism or state capitalism, Whichever it is, it is a very different system from the private capitalism which prevails in other countries. It is the first effort to direct the industrial life of a great country along Marxian lines. How has it worked?

### Progress in Industry

Since adoption of the New Economic Policy, Soviet industries have made steady and fairly rapid progress. Starting from the low-water mark of less than one-fifth the pre-war output, which Russian industrial production touched in 1921 as a result of revolution, blockade and civil war, they have now gone definitely beyond the 1913 volume of production.

It has also been found possible to set aside increasing sums for industrial repairs and new construction—items which were sadly neglected during the first years of recovery. Last year more than a billion rubles, or $500,000,000, of new capital was put into the Russian industries. Many new factories have been finished and are under construction, while two big construction projects, each estimated to cost about $70,000,000, are under way. These are the Dnieperstroi, a hydro-electric power-plant and dam on the River Dnieper, and a railroad, seven hundred miles long, which will link Siberia with Turkestan.

### High Prices; Poor Quality

There are other points, however, in which the case for socialized industries is not so strong. The high prices and low quality of Russian manufactured goods indicate a certain deterioration in efficiency, even by comparison with the stand-

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ards of pre-war Russian capitalism, to say nothing of more highly developed industrial countries of Western Europe and America. The general price level of Soviet manufactured products is two and a half or three times the pre-war figure, while the generally poor quality of these products can be attested by the personal experience of anyone who has lived for some time in Russia. Also innumerable letters of complaint, accompanied by specimens of shoddy work, have poured into the office of the commission—formerly headed by Trotzky—which undertook to improve the quality of industrial production.

This state of affairs may be ascribed in part to causes for which the Soviet Government cannot fairly be held responsible. Some branches of Russian industry, notably the coal mines of the Donetz Basin, were badly smashed up during the civil war; and Russia has been unable to get the foreign loans which have helped many European states on the road to reconstruction. There are, however, other causes.

The complicated network of government departments which manages the state industries takes a heavy toll in delay and inefficiency. The Communists, while utterly intolerant of opposition by any organized group or faction, are unsparing in self-criticism. The most striking exposures of the defects of the present system of industrial management are to be found in the Soviet press, and in the periodic reports of the Worker's and Peasant's Inspection, a sort of government auditing and investigation department.

### Incompetence and Graft

Once it was shown that the upkeep of a small bureau in the Transport Commissariat cost four times the revenue which this bureau brought in. In an extraordinarily mismanaged new glass factory the overhead costs were five times the original estimate, while two-thirds of the production had to be discarded as waste.

The Russian word *halatnost* which implies an almost criminal neglect and indifference, appears with significant frequency in these reports. One often reads of valuable machinery being left to rust from exposure, or being allowed to lie around as dead capital. The difficult psychological problem involved in making people work for the state with the same shrewdness, foresight, intentness and energy they would show if their personal fortunes were at stake has not yet been satisfactorily solved in Russia.

Graft also enters into the situation. This, of course, is nothing new in Russia; and taken by and large the Soviet bureaucracy is probably more honest than its Czarist predecessors, if only because corruption is regarded more seriously and is more liable to drastic punishment.

Nevertheless the nationalization of industry and of a considerable part of trade has created temptations which do not exist under private capitalism. The proprietor of a factory or store has no incentive to cheat himself. But the manager of a nationalized factory, of a state or cooperative store is sometimes strongly tempted to cheat the state. That these managers are not always proof against temptation is indicated by the number who are hailed before the Soviet courts, charged with embezzlement or with using their positions to strike unholy bargains with private speculators. Every such case of corruption tends to push up production costs another notch.

### The Oil Industry Prospers

In contrast with the admittedly high cost and poor quality of production, one may note several constructive features. The oil industry, which sustained its full share of the injuries from revolution, has recovered to a point where exports have exceeded pre-war figures. They now constitute a bone of contention between the big rival international oil corporations.

The electrical industry, slightly developed in Russia before the war, has made considerable strides. Manufacture of tractors and textile-machinery, unknown in Russia before the Revolution, has been introduced; and while these budding industries have not yet achieved either economical or extensive production, their advent is hailed as a step toward the Soviet goal of making the Soviet Union an industrial nation.

The Communists themselves attach great importance to the fact that, for the first time in history, they have instituted a *planovoe hozestvo*, which may be translated loosely as a planned economic life. The most tangible expression of this is to be found in the Gosplan, or State Planning Commission, a body of economists, engineers and production experts which has set for itself the tremendously ambitious task of plotting the economic graph of Russia's development over a period as long as five years.

### A Five-year Plan for Progress

The Gosplan attempts to calculate every important item in the production, consumption and budget of the country and makes corresponding recommendations to the institutions which are in actual charge of administrating industry and agriculture. This novel experiment cannot yet lay any claim to infallibility; it sometimes happens that the Gosplan proposes and the market disposes. But Communists are convinced that, once obstacles involved in Russia's technical backwardness and in working out such an unprecedented scheme are surmounted, the planned and centralized direction of economic life will give Russia a great advantage over the countries which maintain what Soviets are pleased to call the anarchical capitalist system.

### What an Impartial Verdict Must Be

Assuming that an impartial jury of industrial experts, engineers and economists, could sit in judgment of state management of industry in Russia, its verdict would almost certainly be that socialism, as a system of producing goods, is more expensive and less efficient than capitalism. The improvement in the material condition of the Russian industrial workers by no means offsets the large increase in production costs which finds expression in high prices and low quality.

This improvement in the condition of the workers is represented not as much by real wages, which are perhaps 10 or 15 per cent. above the low pre-war figure, as in guaranteed social benefits such as free accident and illness insurance, treatment in rest homes and sanatoria, nurseries attached to the factories, maternity leaves for women workers, cheaper housing, and the like. The cash value of these benefits is difficult to define accurately; it has been estimated at from 15 to 30 per cent. of wages.

### The Experiment Only Begun

However, a Communist would undoubtedly protest against such a verdict as unjustly premature. The late Mr. Krassin, one of the ablest Soviet leaders in the economic field, made the point that the first stages of a new economic order are inevitably inferior to the last stages of an old one, even though the former may prove indubitably superior after a lapse of time.

Certainly ten years, the first of which were absorbed in a desperate struggle for existence, are too short a period to warrant final judgment on an experiment so gigantic as the transition from capitalism to socialism.

Social democracy, as opposed to political democracy, is a vague phrase, but it seems to cover as well as any other a new spirit that has unmistakably arisen in Russia. When Premier Rykov visits a provincial town he does not address some Chamber of Commerce or Rotary Club. Instead he goes to the largest factory or railroad shop and speaks to the assembled proletarians. Pictures of the idle rich and their doings, so prominent in western illustrated magazines and newspapers, are conspicuous by their absence in Russia. Russian pictorials are full of group and individual pictures of the most horny-handed workers and the most full-bearded and unmistakable peasants.

### A New Democracy

A sceptic may object that these are little things, that in the more substantial affairs of life the relative position of workers and peasants is little changed, that they must still ride third-class on the trains and steerage on ships, while the comfortable coupes and cabins are generally occupied by foreigners, Soviet officials, and members of the new bourgeoisie.

Classes still exist in Russia, but their make-up is more fluid than in any other country. Nowhere else is it so easy for an active-minded worker or peasant to become a university student, an official, or an army officer. The educational scales are weighted in his favor; the authorities are under instructions to give preference to children of workers and peasants in admissions to high schools and universities, provided their scholastic qualifications are tolerably satisfactory.

It may be that ex-workers who have become presidents of factories, or officers in the Red Army, sometimes lose their proletarian psychology, and take on the viewpoint of the official administrative class into which they have graduated. Still, the element of opportunity is there; and the ease with which the more energetic and ambitious workers and peasants can rise in status, the fact that class prejudice in Russia operates for them and not against them—these are not the least of the factors which broaden the popular basis of the Soviet regime.

The movement to encourage workers and peasants to write letters to newspapers describing the problems and grievances of their daily lives is another form of this social democracy. This movement has assumed large proportions; and the worker and peasant correspondents who take time in the evenings to scrawl out letters of complaint and suggestion are numbered by hundreds of thousands.

Pre-revolutionary Russian newspapers were written by intellectuals for a cultured and educated audience. In literary style, in richness of content they were generally superior to the Soviet newspapers. Yet newspaper circulation in Russia is now

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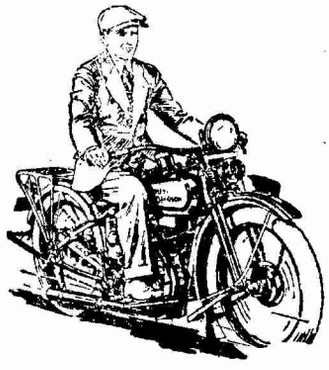

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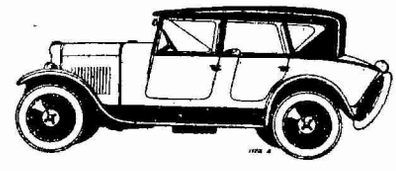

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three times the prewar figure, and shows a steady tendency to increase. This is partly due to the progress in eliminating illiteracy, especially in the army and among members of trade-unions. Another reason may be found in the fact that the workers of, say, a textile factory, if they suffer from bad air, are encouraged to write the local paper about it. Maybe they will get their ventilator and maybe they won't; but at least they have the satisfaction of setting forth their troubles before the public eye.

An American visitor, making the customary quick tour of Russia, once fired the following question at me point-blank:

"Look here; is this thing succeeding, or isn't it?

An easier question to ask than to answer. Was the downfall of the Roman Empire a success, and for whom? The break-up of the old Russia under the overwhelming pressure and strain of the World War, fanning into flame all the country's dormant class hatreds, bore much of the sheer elemental catastrophe accompanying the collapse of the Roman Empire.

**Is the Great Experiment Succeeding?**

Even in movements where the factor of conscious direction is much stronger, as in Mohammedanism, the Protestant Reformation and the French Revolution, historians and philosophers hotly dispute the merits and defects, the general desirability from the standpoint of human progress and civilization, of the new order. How then is it possible to cast up a final balance sheet for the Russian Revolution only ten years after it occurred, when the passions it aroused are hot and burning, and the outlines of the social order it introduced are partly dim and obscure.?

One of the martyrs of the French Revolution was the Communist Gracchus Babeuf, who announced the slogan, "From each according to his abilities; to each according to his needs." The more realistically minded French revolutionaries found Babeuf a trouble-maker, and sent him to the guillotine. The Russian Communists revived Babeuf's memory and renamed a Moscow candy factory in his honor; but they have not succeeded in putting his slogan into practice.

**Equality Still Lacking**

Even within the Communist ranks, to say nothing of the country in general, there is nothing like universal material equality. Several years ago, when wages were much lower than now, I visited a large locomotive factory at Sormovo. The average pay of the workers, many of whom held tickets of membership in the Communist Party, was twenty rubles a month. Shortly afterwards on a Volga river-boat I met a young Communist journalist who was earning two hundred rubles a month. And his standard of living, in turn, was more modest than that of some comrades in higher posts.

The Communist Party, to be sure, has worked out various methods of combating too sharp manifestations of inequality among its members. There is a Control Committee that possesses the right to reprimand, demote, and, in extreme cases, exclude members who are guilty of ostentatiously luxurious living. There is also a standing regulation to the effect that no Communist may receive more than a fixed salary of 225 rubles (about $115) a month.

Even this does not insure genuine equality. The average wage of Russian industrial workers is now a little more than sixty rubles a month, so that the Communist working man, as a rule, earns less than this maximum party salary. Communists in high government or party positions enjoy various perquisites, in the shape of comfortable quarters, provided free or at nominal rentals, traveling expenses, free use of automobiles, etc., which eke out the value of their monetary remuneration considerably. Moreover, the large number of party intellectuals with a gift for authorship and journalism benefit considerably by the fact that they are permitted to retain most of their literary earnings, merely turning over a fixed percentage to the party funds.

As for the Control Committee, it occasionally inflicts exemplary punishment upon sinners in high places; the exposure and degradation of such formerly prominent figures as the bank president, Krasnoschekhov, and the editor of the Soviet official newspaper *Izvestia*, demonstrate this. But it is obviously impossible for any board of censorship to regulate effectively the ethical conduct of all members of a huge organization like the Communist Party, with its million and a quarter members and applicants for admission.

Of course everything is relative; and the non-realization of full equality among Communists does not mean that habits of luxurious and extravagant living have struck deep root in the party. On the contrary, the average Communist in a high political or economic administrative post unquestionably lives more simply than the typical cabinet minister, corporation director or bank president in a capitalist country.

There are certainly individual Communists who live up to the most austere standards of traditional Russian revolutionary idealism, and this without any mechanical compulsion from the Control Committee. Here and there one finds men and women holding high and responsible posts and really living as simply and plainly as ordinary workers. But these personalities, impressive living testimonials as they are to the strength and depth of the revolutionary impulse, are individuals, rather than typical products of the new Russian social order. They belong mostly to the older generation of Communists, a generation that is dying out with more than normal rapidity because of the hardships its members endured in Czarist prisons and on the battle-fronts of the civil war.

Immersed in the constant struggle to find solutions for harassing insistent immediate problems, the Communists seldom discuss material equality even as an abstract idea; and when they do they are inclined to cite numerous obvious practical reasons for postponing its realization. Literal Communism seems as remote in present-day Russia as a general application of Christian ethics appears in the professedly Christian nations of Europe and America.

**Communist Growth, the Real Achievement**

If the Bolshevik Revolution has not turned Russia into a communist utopia, it challenges world attention because of the profound influence it has exerted upon Russian, and, to a lesser extent, on international historical development. The growth of the Communist Party from a small band of persecuted revolutionlists into a great mass organization, ruling one-sixth of the surface of the globe, was indisputably a tremendous achievement, possible only to men who possessed in high degree courage, resolution, capacity for discipline, and fanatical devotion to their cause. However the Soviet experiment may turn out, it must be recognized as at least a first-rate demonstration of energy and will-power.

Furthermore, the Communists have placed an indelible stamp upon the whole world outlook of Russian youth. It young people in Russia to-day are materialistic rather than mystical, if they experiment with tractors instead of praying before ikons, if they prefer the practical teachings of Henry Ford to the soul-searchings of Dostoevsky, this change, good or evil as one may find it, must be ascribed largely to the Communists.

Friedrich Nietzsche is not an approved author in Russia to-day; if he is mentioned at all in Soviet textbooks he is most probably dismissed as an intellectual apostle of feudal reaction. Yet the Russian Communists, more perhaps than any other group in our time, have achieved what Nietzsche dreamed of: a sweeping revision of all formerly accepted moral values. Traditional ideals like the old-fashioned conception of the family and faith in religion have been shaken, if not destroyed, for the new generation. In their place we now find a conception of ethics that judges every action merely by its effect on advancement of the party cause.

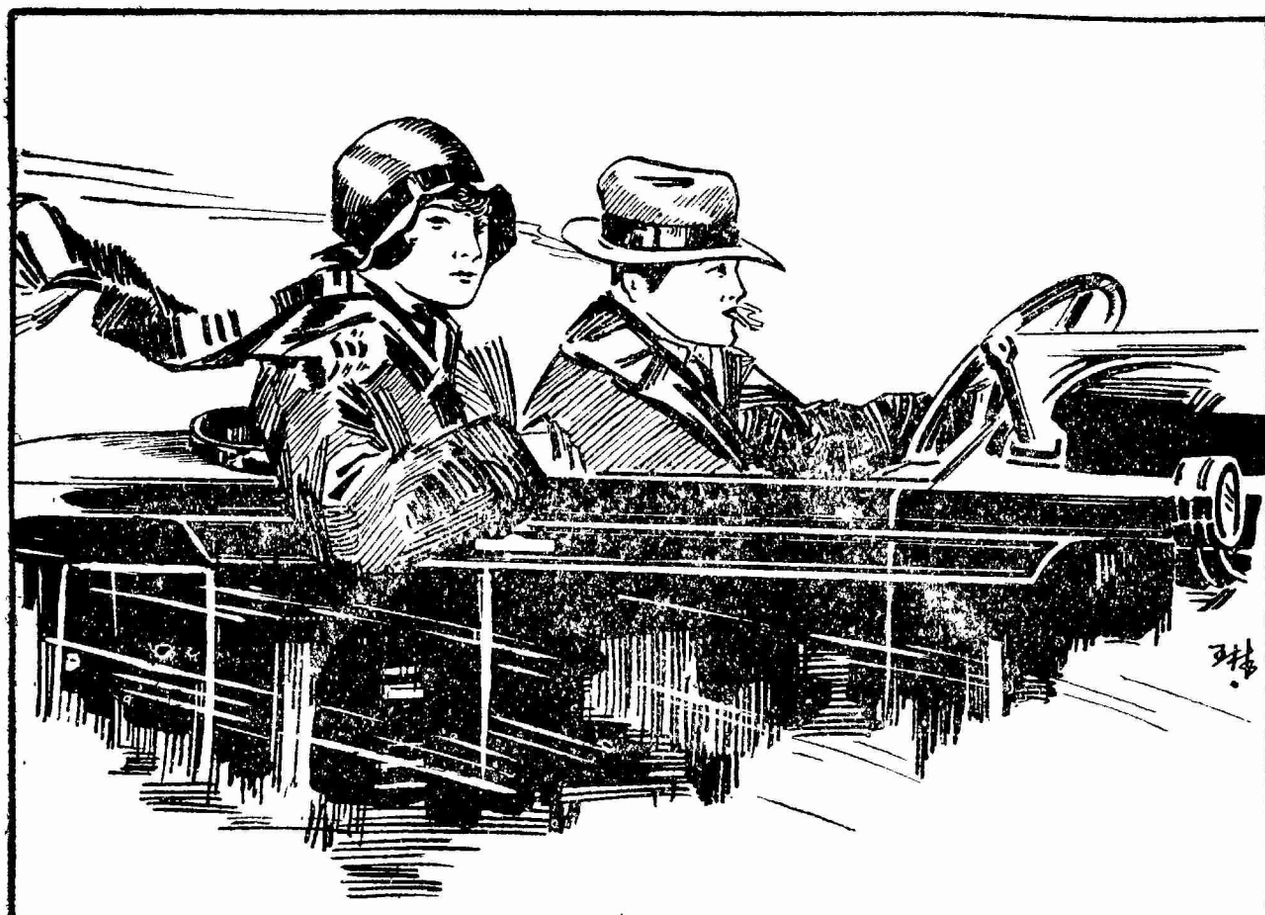
The Russian Revolution has made the rich man, the pillar of society in other countries, a moral and social pariah. In theory, at least, it has exalted the manual worker, elsewhere ranked among the lower classes, as ruler of the Soviet state. If the really decisive test of the significance and permanence of a revolution is to be found in the changes it brings in social institutions and in moral and intellectual conceptions, the Russian Communists may reasonably claim authorship of one of the great revolutions, if not of the greatest revolution, in history.

## Model Housing Project at Pootung Sponsored by Chinese Y. M. C. A.

The Chinese Y. M. C. A. of Shanghai announced a tea concert at 201 Szechuen road for Friday, November 23 with a view to raising funds for the Pootung model housing project. The Chinese Y. M. C. A. in 1926 secured a piece of land in Pootung on which they are building 42 houses, rental for which is three dollars per month per house. The over-crowding and insanitary living conditions in the town across the river from Shanghai have long been a reproach in the eyes of every one who has taken the trouble to investigate. Pootung has a population of 700,000 people, about one-seventh of which is employed in cigarette, cotton mills, match and weaving factories and shipbuilding and ironworks.

## China Society of America Holds Annual Dinner in New York

The China Society of America held its fourteenth annual dinner in the grand ball room of the Plaza hotel, New York City, November 9. Addresses were made by Sao-ke Alfred Sze, Chinese Minister to the U. S. A. and Dr. C. C. Wu, special envoy of the National Government in America. Addresses were also scheduled to be made by Thomas W. Lamont of J. P. Morgan & Co. and Yu-Chuen James Yen, general director of the Chinese National Association of the Mass Education Movement. General James G. Harbord presided,



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## Feng Yu-hsiang Makes Plea for Thrift and Simplicity

In the course of a characteristic speech before the Executive Yuan at Nanking Nov, 17, General Feng Yu-hsiang said: "The economic organization of present-day society is not as simple as it used to be. Formerly it was easy to maintain a small family in a city. But, now the cost of living is soaring high. I hope that you, who are working in this Yuan, regardless of your ranking, whether directors, secretary, counsellor, division chief or clerk, will practise economy. If your family is in Nanking, you should get up early in the morning and go to the market yourself and let your wife do the cooking. Don't copy the manners of the mandarinate officials who keep a retinue of servants to serve them and gradually become helpless; and, finally hopeless. Avoid these rotten habits. Depend on yourself. Be thrifty and don't degenerate. When you stand on firm ground even if you fall, you will not fall very deep.

"The cause of our political unrest during the past 17 years has been the struggle among individuals. Our so-called leaders have been fighting against one another for their selfish ends. But I hope you will work together for the benefit of the people as a whole.

"I have spoken bluntly, but in the sincerest spirit, and I hope you will receive my remarks in the same spirit."

## Manchurian Army is Radically Reduced

A recent dispatch from Mukden stated that Marshal Chang Hsueh-liang in a circular telegram had announced the decisions of the Disarmament Conference which for some time had been sitting in that city. The reduction of the army is being carried out according to the following program. Infantry, formerly 40 divisions or brigades is being reduced to 15 brigades. Cavalry, formerly 15 divisions, is reduced to two brigades. Artillery, formerly three brigades and two regiments, is reduced to eight regiments. Engineers are reduced to six battalions. Army transport corps is abolished. The total war strength of the Manchurian Army was 400,000 men. The reduction has necessitated the disbandment of 250,000 officers and men, leaving the peace strength of the army at 150,000. Some of the disbanded officers are being employed in various headquarters and provision is made for further education and employment of some of the officers and men. The others have been paid off and the Army Corps and Division Headquarters have been abolished. The reduction in the army will save the government an expenditure of two million dollars a month.

## Another Version of the Nanking Incident

W. P. Roberts of the American Church Mission at Nanking has written to *The Review* concerning statements made in article on the Nanking incident appearing on page 75 of the New China Edition, entitled, "The Nanking Incident," which, was stated to have occurred in 1917, instead of 1927. Mr. Roberts, in addition to other matters, states that it is inaccurate to say that more than a hundred person took refuge on Socony Hill, as there were only about fifty. There were, however, more than a hundred on Bailey Hill, who were evacuated from the city on the evening of March 25. Mr. Roberts points out that the firing of the American and British warships was only part of the "incident." The real "incident", he says, was the killing of five unarmed civilian foreigners, the looting and burning of foreign homes, the disgraceful treatment of women and children, the open attack on foreign consulates, etc. He says it is a mistake to say that the troops "got out of hand"; he says that when they were ordered to stop looting by their officers, they stopped.

## Shanghai's Oldest Chinese Newspaper Celebrates 20,000th Issue

The *Shun Pao*, Chinese newspaper in Shanghai, celebrated the publication of its 20,000th number with appropriate ceremony, Monday, November 18. The first edition of the *Shun Pao* was issued in April 30, 1872. It was printed on a sheet of thin Chinese paper, which was folded to compose eight pages measuring 9½ inches. A copy of this still lies in the *Shun Pao* library. Now the paper issues each day from 24 to 48 pages, 16 by 22.75 inches. Its circulation has grown from a few hundred to 150,000 and it is now one of the most up-to-date and best equipped newspapers in China. The editor of the paper is Chung Yung-ho, and the paper's 20,000th number happens to coincide with the 10,000th number of the paper since Mr. Chung joined the *Shun Pao* staff, Mr. Chang first joined the editorial staff in 1902 just after the Boxer uprising and it has been largely due to his guidance that the paper has been so successful. He was one of the first graduates of the Peking Imperial University.

## October Shipments from Shanghai to U. S. A. Show Fair Average

The total value of exports from Shanghai to the United States during October was $3,356,676; the total for the first ten months of the year was $35,189,214—so it will he seen that exports for October showed a fair average. Frozen Yolk bulked largest among edible products with $57,606, Hide and fur shipments were inconsequential, but bristles jumped to $144,576. Green tea likewise make a spurt to $224,986; Chinese wood oil moved up to $104,367. Lace shipments totalled $107,611—above the average. Fiber hats were shipped to a value of $124,053, also above average. Raw silk to a value of $1,508,959, sheeps wool $138,400, and tungsten ore to a value of $55,185 were other noticeable features in an average month's business. The above figures are supplied by the U. S. Consulate General in Shanghai and are in gold dollars.

## The Personnel of the Ministry of Foreign Affairs, Kiangsu Province

On page 126 of the New China edition of *The Review* was published an incorrect list of the officers in the Ministry of Foreign Affairs of Kiangsu province, most of the officers mentioned having belonged to the previous regime. The following are the officers serving at present:

Wunsz King, Commissioner of Foreign Affairs for Kiangsu; Y. S. King, Chief Secretary, Section of General Affairs; T. W. Kwok, Chief Secretary, Section of Foreign Relations; James C. T. Waung, Assistant Secretary, Section of Foreign Celations; S. L. Chang, Chief Secretary, Section of Political Affairs; Chu Hoh-kao, Chief Secretary, Section of Commercial Affairs; Secretariat—T. W. Kwok, Wu Pao Yu, S. K. Ling, L. R. Tai, K. Y. Chen, Kingson Wang, Y. W. Yang.

## AN ECONNOMC INTERPRETATION OF THE MANCHURIAN QUESTION

(*Continued from page 433*)

industrial products. In the case of China, whose commercial interests in Manchuria have not increased so fast but whose increasing quota of Manchuria's population overwhelms that of any other nation, the tendency is that of a people to migrate into other regions of the country which offer better living conditions. In the case of Russia, whose quota of both the foreign trade and population of Manchuria is far less important than that of China or Japan, but whose interest in Manchuria is vital, the tendency is that of securing unimpeded communications with the seacoast. These tendencies of developing national life are continuously working in Manchuria, and, as history teaches, cannot be eliminated by imposing injunctions or placing obstacles in their way.

### International Cooperation and Chinese Sovereignty

The problem thus created in Manchuria by the conflicting national interests of China, Japan, and Russia, is one the solution of which is not only fraught with great difficulties but may even become the cause of a dangerous world conflagration. The solution, we believe, lies in the creation of such conditions in Manchuria as would enable the combined development of the vitalinterests of the nations concerned without detriment to any of them. Such conditions, it is obvious, cannot be created by mere application of force on the part of any nation. They must be attained by establishing a *modus vivendi* based on the spirit of international cooperation and comity and, above all, on the recognition of China's sovereignty over Manchuria. For, as one of China's spokesmen at the Washington Conference declared, "Not only does the national safety of China depend upon the safeguarding of Manchuria as an integral portion of Chinese Republic, but also the security of the economic life of the Chinese people depends in a very vital measure on the conservation and development by the surplus capital of the world of the natural and agricultural resources in Manchuria, which are already accessible to all nations."

The predominent position that Japan now holds in Manchuria, acquired as it is through economic aggression and political encroachment, goes only to show Japan's imperialistic ambition in Manchuria. But whatever the interests of Japan may be, China can never tolerate any attempt on Japan's part to convert Manchuria into a Japanese dominion or protectorate, nor can she ever recognize Japan's claim of "special interests" in Manchuria. Manchuria is, pure and simple, Chinese territory and is for the Chinese people "easily as vital as the throat". The United States, once misled by Japanese propagandists, have officially admitted this fact; so has Great Britain. And the might and soul of 400,000,000 Chinese people will unite to prove it. Should Japan persist in advancing her selfish interests in Manchuria in disregard of this vital fact, and should, some day, the Sino-Japanese conflict in Manchuria lead to another great conflagration not unlike that of 1914, the world would have no difficulty in placing the guilt.

Shanghai, November 17, 1928.

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| No. 2 Dock ..... | 502- „ | 70- „ | 60- „ | 23- „ |

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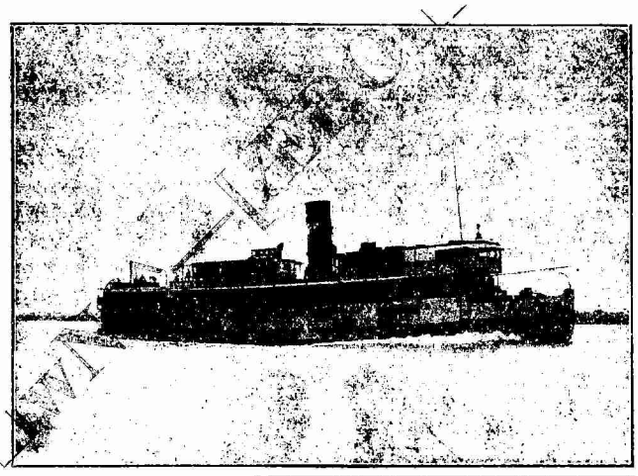

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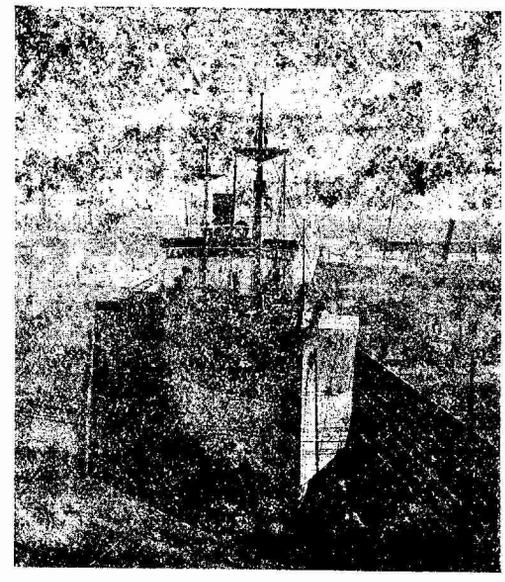

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**THE CHINA WEEKLY REVIEW**

**J. B. Powell, Editor**

*4 Avenue Edward VII* *Shanghai*

46-556

# The Chinese Family System

BY D. K. LIEU

*(In the China Critic)*

THE Chinese family system, which is at the bottom of our social structure, is a most complicated organization. It is not the husband-wife-and-children type of family of the Occident, nor even the larger family including many smaller ones belonging to brothers and cousins living under the same roof, although usually that is considered to be the meaning of the term. In fact, as may be seen from social customs, the law code of many dynasties, as well as the Chinese language itself, the "family" really embraces a much larger number of people not all of whom live under the same roof or bear the same surname. To distinguish between this and the general conception of a family, I shall use the term which I employed some years ago, in an article on Social Transformation of China which appeared in the *Chinese Social and Political Science Review*, namely, "the greater family."

### Elaborate Etiquette

Confucian ethics recognize five kinds of social relations—between father and son, brother (older) and brother (younger), husband and wife, ruler and subject, and friend and friend. Of these the first three all have to do with the family. Social custom, too, lays great emphasis upon family relations. At any great social function, for instance, a wedding or funeral, the costume, the duty, the order, the kind of presents, the seating or standing position, the manner of expressing congratulation or sympathy, etc. are all different with different kinds of relatives. Western social etiquette is simple indeed when compared with the elaborate rules that govern a Chinese social function. A voluminous book, entitled *wu-li-tung-kao* gives many of these rules, but even then there are many others which cannot be found in any book and which differ in different localities. Time-honored tradition as well as local usage govern also the rights and privileges of different kinds of relatives in the question of inheritance or the adoption of a child, especially if the child is to be adopted by the "eldest branch" of the family (i.e. the family of the same surname).

### The Family Council

In such matters the question is usually settled at a family council. The eldest member of the oldest branch of the family, paternal and maternal uncles, husbands of paternal aunts, the father-in-law, and many other relatives of the same or different surnames, would take part in the discussion. As Robert's Rules of Order were not known to China until recently, the decision is not made by a majority vote, but the opinion of each individual carries weight according to his position in the family, and he whose voice carries the greatest weight usually gives the final decision. In general, the opinion of the *chu-chang*, who is usually the eldest member of the oldest branch, or failing that, the eldest member of one of the important branches, is of the greatest importance. Next to that is the opinion of the paternal uncle (the father's brother), and then that of the maternal uncle (the mother's brother). The importance of the last named relatives, as well as that of the father-in-law, in many family affairs, shows that the Chinese family system is not merely based on those who bear the same surname.

### Recognized by Law

This family system is recognized by law. From the *Tang Lui*, the first comprehensive legal code of this country, down to the *Ching Hui Tien*, of the Manchu dynasty, every man is held responsible for the good conduct of each and every one of his relatives, and the degree of his responsibility is determined by the degree of proximity of the relationship. In fact, such law existed much earlier than Tang, even in the Chin dynasty, when high treason was often punished by death penalty to the whole clan, but then no minute differentiation such as found in the Tang and later codes was made.

A law case which recently came up before the Shanghai Provisional Court, and which involved a dispute in inheritance, illustrated the bearing of the family system on law, even under the Republic. A rich man had died, and as is usually the case, left no will as to the disposition of his property. He had no son but had adopted two boys, one a son of his brother or cousin, and the other from a different family. Later he married a concubine who gave birth to a son. Although old law codes are no more applied in the modern courts, yet the court must yet take cognizance of social customs, and in this case the important thing was to ascertain if the two boys were formally adopted, and if the concubine and her son were recognized by the family. Thus the decisions of the family council would be upheld by the court.

**Importance Shown in Language**

The importance of the family system in Chinese social organization is also shown in the language itself, which is really a good indicator of all social development, indicating the degree as well as the direction of that development. In the Chinese language, every family relation, near or remote, by blood or by marriage, has a specific name. An uncle on the paternal side is known by one name, and the husband of an aunt on the same side by another. The two corresponding relatives on the maternal side have again other names. An uncle on the paternal side is known by one name, and the husband of an aunt on the same side by another. The two corresponding relatives on the maternal side have again other names. An older uncle has a different name from a younger one; similarly with their wives. But in English and other modern languages, the word "uncle" or "aunt" stands for a number of relatives, and the word "cousin" for an even greater number. This in a way shows the greater emphasis laid by our people on family relations.

What are the results of this family system on social development? No doubt it has promoted social solidarity any stability but are these characteristics the most desirable to and society? Can they always be maintained, no matter whether the community is rural or urban? Does a society gain or lose if, by retaining these characteristics, social progress is retarded, if not entirely frustrated?

**Care of Elders**

In discussing the question of social organization, an old American professor made the remark that there was at least one thing to be said for the Chinese family system, if nothing else; namely, that old people would be well taken care of by their children. It was a casual remark of that American professor, but to the Chinese of an older generation, it seems to be the most important feature of the system. To some of them the sole duty of the children is filial duty, and if a man is not filial, he has almost no excuse of being. Of course Confucius and Mencius were very strong for the family system—though their idea of the system might not be the same as it exists today—and one of the cardinal virtues which they preached was fidelity on the part of the children. Later followers of these sages went even further, until the family became the most important social organization and filiality, the most important duty of any human being. The state was also recognized, and *chung*—fidelity to the king—was often spoken of in conjunction with *hsiao*, or filiality, but only a very small number of people were concerned with the state, while all had to fulfil their family duties.

These ideas were all right when the people were mostly engaged in agricultural pursuits. In the rural villages and the semi-rural towns the family system could be easily maintained intact. A few in the government service and in domestic trade might move about from one place to another, but sooner or later they would go back to their home town, and the majority of the people never moved at all. They led simple lives, and two simple virtues—*chung* and *hsiao*—were enough to represent the *summum bonum* of their social behavior.

**Ties Men Down**

One great defect of this family system is that it stamps out the spirit of venture. A man is bound down by family ties, and even if he does not care about them, other members of the family would usually oppose any action on his part which involves change or adventure. Now young people are naturally more adventurous than the old, and as family authority is in the hands of the latter, the result can be easily predicated. In fact, to prevent the younger generation from launching into what they consider as dangerous enterprises, and to satisfy their own wish of having grandsons and greatgrandsons, the young men are made to marry early, and become tied down by family burdens. Then the solidarity and stability of that family are guaranteed.

**Go—But Come Back**

Investigations in Manchuria and East Inner Mongolia show that, for many years, Chinese from the interior provinces, such as Chihli, Shantung and Shansi, have migrated to these territories, but they seldom stay there. The men bring their agricultural implements and migrate to these places to cultivate land, but because they belong to the "greater family" which naturally cannot go with them, they generally come back after the harvest is gathered. This is often done year after year for many years, and it is only in the last year or two that the Shantung migrants to Manchuria began to bring their wives and children with them, and settle down there more or less permanently, The same is true with the Chinese merchants who went abroad and engaged in business in foreign countries, for instance, in the Philippines and the Malay Archipelago. It was only in the recent years that migrants went there with their wives and children.

**Encourages Nepotism**

A second trouble about the "greater family" system is that it encourages dependence and nepotism. Usually if one


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*Security*: The Bonds are secured on that portion of the Customs Revenue formerly assigned to the service of the German share of the Boxer Indemnity, after service of the Fourteenth Year Loan of the Republic and of the Continental Bank Loan of 1926. The Inspector-General of the Maritime Customs shall deposit monthly the assigned funds with the 2½% Treasury Bonds Sinking Fund Committee for custody and repayment of principal and interest.

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October 1, 1928,

(Sgd.) CHANG SHOU YUNG — *Vice-Minister of Finance*

(Sgd.) TSE VUNG SOONG — *Minister of Finance*

**STATEMENT REGARDING SECURITY AND SERVICE OF THE LOAN BY THE OFFICIATING INSPECTOR-GENERAL OF CUSTOMS**

"The funds available from that portion of the Customs Revenue formerly assigned to the service of the German share of the Boxer Indemnity, after service of the Fourteenth Year Loan of the Republic and of the Continental Bank Loan of 1926, are sufficient to meet in full the interest and redemption payments of the 17th Year Short Term Currency Bonds now advertised. These available funds will be paid by me, on the order of the Minister of Finance, to the account of the 2½% Treasury Bonds Sinking Fund Committee which controls the service of this Loan."

(Sgd.) A. H. F. EDWARDES
*Officiating Inspector-General of Customs.*

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member of the family is capable, he will practically have to support, directly or indirectly, all the rest. By indirect support is meant that he has to use his influence, whatever it may be to enable them to make their own living, for which they do not depend on him entirely. For instance, if one person holds a responsible position in the government or some large business, all members of his "greater family" will depend on him for appointments in his office, and some would go so far as to give up their original means of living in order to enjoy the affuence of their relative. A responsible officer of a large bank in Peiping is said to have over thirty such relatives on his hands, and he has to give financial support to many of them whom he cannot possibly appoint to any position. It may be one good way of equalizing distribution—for which reason we may even call it "Chinese socialism"—but it certainly destroys independence and efficiency.

This suggests another aspect of the family system. Many rich men in China have endowed family cemeteries, family schools, family temples, etc., and in Kwangtung large tracts of agricultural land belong to such institutions. It is only in recent years, and by men of modern ideas, that endowments are given to schools or hospitals open to the general public, but endowments for the advancement of science are yet very rare. Of course contributions to public works are sometimes made, for instance, for the construction of bridges, etc., but even that idea seems to have been imported from India, as it is the Buddhist priests that preach the construction of roads and bridges, which are supposed to bring heavenly blessings to the contributors.

**Keeps Young Undeveloped**

The concentration of authority in the older generation of the family—which is a survival of tribal system—has another evil result, namely, the undue respect for age and all the conservative ideas that are associated with it, and the creation of an inferiority complex, among the young. Being not trained for responsible work, the young people do not acquire balanced judgment, and they either depend too much on the guidance of the old people, or, if they have not yet got the inferiority complex, they easily become too radical or over self-confident, which often amounts to arrogance. The radicalism of the young students may be attributed to a reaction against the old family system. At any rate, being not properly trained at home for responsible and independent thinking and action, and being influenced by the radical ideas current in the schools and encouraged by the mob spirit naturally present at school and mass meetings, the young men and women are apt to go to extremes, and for that situation the old family system is at least partly responsible.

**The System Breaking Down**

The old family system is gradually breaking down with the rise of modern industrial cities in this country, and there is no reason for the writer to attack an institution if it will not survive the test of time. On the contrary, it is his intention to point out its defects for the sake of reforming the syytem so that it will not be entirely done away with. The small family system of husband, wife and children may not be adapted entirely to Chinese society, but at any rate if filiality should not be overemphasized, care of the older generation by the younger one is a duty which also should not be shirked by the latter. At the same time, the authority of the older generation must be curtailed so as to allow the younger one to develop the spirit of initiative, independence and adventure, as well as the sense of social responsibility towards the public, and not to the family. On the whole, the system should be so modified that solidarity and stability will be to some extent sacrificed in order to make social progress possible.

## Eleven Nations Unite To Prevent Smuggling of Narcotics

(*From the New York Herald-Tribune*)

Washington Oct. 9.—A far-reaching international agreement whereby the narcotic secret services of eleven countries, including that of the United States, will be directly banded together for the detection of smugglers has been completed by the State Department, it became known to-day.

The agreement is considered of even greater importance to the United States than to Great Britain, France, Germany, Italy, Spain, Japan, Belgium, Holland and other countries involved, because more illicit drugs are smuggled into this country than out of it.

Under the agreement, secret services of the eleven countries will be notified by cable whenever a suspicious cargo, ship or individual leaves a port or frontier or any one of them. The arrangement creates a precedent, as diplomatic customs hitherto have decreed that all such information shall pass through the roundabout channels of foreign offices. It marks the first time in history, therefore, that auxiliary foreign government agencies are able to communicate directly with one another.

**Swiss Co-operation Sought**

Aside from the governments named, Denmark, Czechoslovakia and the Free Port of Dantzig are included in the agreement, and the State Department expects soon to make formal announcement of the compact. By that time it is possible that other countries may have joined. An effort is now being made to bring Switzerland into the agreement. The smuggling of narcotics over the various Swiss frontiers is reported to be large and the co-operation of that country is much to be desired.

Secretary of State Kellogg, on October 5, sent a note to the League of Nations declining to have anything to do with the League movement to suppress the opium traffic, because he held it inadequate. At that time there was no hint of any initiative on the part of the American government to work independently against the dissemination of narcotics.

While the eleven-nation agreement to place the suppression of unlicensed import and export of narcotics directly in the hands of the secret service is not regarded here as a substitute for the Geneva movement, it is looked upon as a great forward step in the tremendous task of wiping out international "dope bootlegging," which has increased heavily since the war. The red tape attaching to this work in the past has almost defeated it.

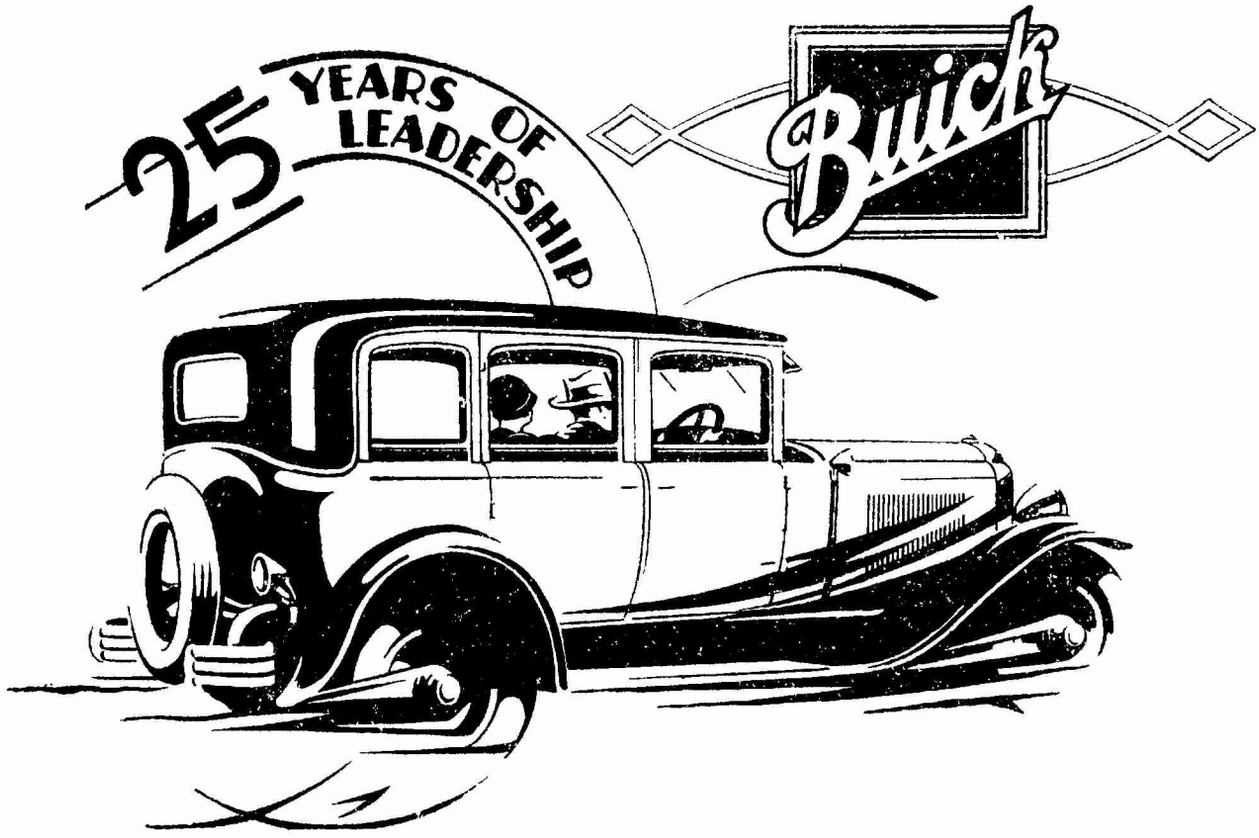
Hitherto what little communication there was between government narcotic agencies in different countries took place through the State Department or the various foreign offices abroad. Instead of cabling direct to Treasury officials who are charged with preventing smuggling, a German official who had information regarding a "dope" shipment into the United States had to inform his own Foreign Office, which in turn informed the State Department, which then informed the Treasury Department. This not only took time, but was not conducive to communication, since the informant never got a direct response from the narcotic agency in the other country.

**Confined to the Treasury**

Under the present arrangement narcotic activities will be confined to the Treasury Department, and neither the foreign office concerned nor the State Department ever will see anything of the messages interchanged.

No government has ever before given another government information which might lead to the arrest and conviction of its own citizens in preventing smuggling activities, narcotic experts say.

The United States took the initiative in arranging the present system for exchanging information, and it was as a result of notes issued by the State Department last December that the eleven participating countries joined the United States in its narcotic crusade. Agreements with the various countries are substantially the same.

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# Will the Chinese and Japanese Enter into Formal Negotiations?

BY J. B. P.

**A message from Nanking, November 21, stated that owing to pressing duties, Dr. C. T. Wang, Minister for Foreign Affairs, has been unable to hold conference with Mr. Yada. No definite date has been set for the next meeting.**

The Japanese Consul-General at Shanghai, S. Yada, who has been trying for sometime through informal conversations with the officials of the National Government at Nanking to reach a basis of understanding on various unsettled diplomatic questions, returned to Nanking on Monday, Nov. 19. Mr. Yada's apparent purpose now is to lay the foundation for later formal negotiations for a definite adjustment of Sino-Japanese diplomatic problems, the most pressing being the Nanking and Hankow incidents of last year; the Tsinan incident of the spring of this year; the negotiation of a new Sino-Japanese commercial treaty to replace the treaty which officially expired in 1926, but which the present Nanking Government definitely abrogated early this year upon Japan's refusal to enter into negotiations for a new treaty; and finally the matter of Japan's consent to an increase in the Chinese customs duties leading in the direction of tariff autonomy on Jan. 1, 1929. (See issues of *The Review* for November 3, 10 and 17.)

As indicated in previous discussions pertaining to the Sino-Japanese situation the conversations between Dr. C. T. Wang, National Minister for Foreign Affairs and S. Yada, Japanese Consul-General at Shanghai, neither side has brought up the two most vital Sino-Japanese problems, the Manchuria Question or the question of China's defaulted debts to Japan.—but while these questions were not considered between Wang and Yada, there is evidence that Mr. Yada has brought up the question of the debts in conversations which he has held with T. V. Soong, National Minister of Finance. It is quite logical to assume that Japan has brought up the question of defaulted debts, because this question was uppermost in the Tariff Conference in Peking in 1926. Furthermore there have been reports in the Chinese newspapers alleging that Japan has made her consent to an increase in the Chinese tariff contingent upon China's recognition of the so-called Nishihara loans and agreement to refund them on the security of the increased customs revenues.

### The Tsinan Incident

Although there has been no public announcement regarding instructions which General-Baron Tanaka, the Japanese premier, has given to Mr. Yada, it has been reported that his conversations with Dr. Wang have centered chiefly about the settlement of the Nanking, Hankow and Tsinan incidents and the matter of a new commercial treaty, while the matter of Japan's consent to an increase in the Chinese tariff has been left to conversations between Mr. Yada and T. V. Soong, the National Finance Minister. According to reports which have appeared in the Japanese and Chinese press, Mr. Yada has attempted to induce the Chinese to agree to a settlement of these various questions separately. However, China has refused to consider this proposal and has insisted that all must be considered and settled simultaneously. The chief stumbling block is the Tsinan incident, due to China's demands that the 6,000 or 7,000 Japanese troops stationed in Shantung province should first be withdrawn before the opening of formal negotiations. It has been reported that Mr. Yada is favorable to this proposal, but that he has been unable to obtain the consent of either the Japanese residents in Shantung or of the Japanese Government. General Tatekawa, Japanese military attache in Peiping, has also been quoted in the Peiping newspapers as being favorable toward a withdrawal of Japanese troops from Shantung prior to the opening of formal negotiations, but suggests that the troops be withdrawn "gradually" in order to prevent the Chinese in that province from "taking revenge" on the Japanese residents because of bitterness which still exists as a result of the Tsinan incident of last May.

The Japanese claim that their troops are still being maintained in Shantung because the National Government refused to comply with the five demands which Gen. Fukuda served on Gen. Chiang Kai-shek last spring, and for the further reason that the presence of the troop are necessary for the protection of Japanese lives and property. However, the Chinese do not agree with this contention and generally believe that Japan has another purpose in view-in other words, that Japan is keeping her troops in Shantung as a trading point to force the National Government to agree to Japan's demands in respect to Manchuria. The Chinese people generally believe that the Japanese troops were sent to Shantung last spring for the purpose of blocking the Nationalist advance into North China and when this failed and the Nationalist troops succeeded in going around the Japanese lines and capturing Peiping, that Japan is still maintaining her military forces in Shantung as a trading point for something else.

### China Might Ask an Investigation

In case it is not possible for China and Japan to overcome the deadlock pertaining to the evacuation of the Japanese troops from Shantung, it has been suggested that machinery is provided in one of the resolutions passed at the Washington Conference whereby China might ask the other Powers to investigate the situation in Shantung to see whether the continued presence of the Japanese troops is actually necessary for the protection of Japanese lives and property.

### Alleged Secret Negotiations

The *Japan Chronicle*, British newspaper issued at Kobe, printed a translation of reports which had appeared in the Japanese newspapers, *Jiji* and *Kobe Shimbun* to the effect that General-Baron Tanaka had sent a secret emissary to Nanking who had interviewed Gen. Chiang Kai-shek, chairman of the Government State Council, and that Gen. Chiang had sent a letter to Tanaka in which he was alleged to have made certain commitment in respect to the Sino-Japanese situation. The name of this secret Japanese emissary was Kono Ryoei, and according to the report, he interviewed both Gen. Chiang and Hu Han-ming, the latter being chairman of the Legislative Yuan of the National Government. The report stated that both Gen. Chiang and Hu Han-ming had made certain reassuring statements to General-Baron Tanaka in regard to the security of Japanese interests in Manchuria and as a result of this Japan would shortly agree to formal negotiations for the settlement of other outstanding questions. The report stated further that the National Government would, shortly after Nov. 20, issue an important statement on this question.

This report pertaining to the alleged visit of the secret Japanese emissary to Nanking, is significant in that it illustrates Japan's nervousness over the whole Chinese situation, a state of nervousness which is probably due to the uncertainty of the tenure of General-Baron Tanaka and the military clique now in control of the Japanese Government. It has generally been believed in China that Mr. Yada's first visit to Nanking for the purpose of opening conversations with Dr. C. T. Wang was not authorized by Tanaka, but was taken on the unofficial advice of the Japanese Foreign Office and elements in Japan who are antagonistic toward the so-called Tanaka "positive" policy toward China. Then later on when Mr. Yada made an optimistic report to Tokyo regarding the stability of the Nanking Government and China's desire to enter into negotiations for a settlement of outstanding questions, Tanaka immediately dispatched Mr. Arita the head of the Asiatic Bureau of the Tokyo Foreign Office to Nanking, apparently for the purpose of "checking up" on the reports which had been made by Mr. Yada. Mr. Arita spent several days in Nanking and called upon both Gen. Chiang and Dr. Wang but did not discuss diplomatic questions. While he was in Nanking the Japanese Consul there gave a dinner in his honor to which the officials of the National Government were invited, but which all are reported to have declined because of the earlier refusal of the Japanese Minister in Peiping, Mr. Yoshizawa, to attend a reception which Gen. Chiang Kai-shek held for the Diplomatic Corps in Peiping.

## THE POLITICAL SITUATION IN JAPAN

That Japan's curious diplomatic tactics in respect to the Sino-Japanese negotiations are due largely to the uncertain political situation in Japan is indicated in the following article from the Japanese *Diplomatic Review*, a translation of which appeared in the English edition of the *Osaka Mainichi* on Nov. 14 and 15. The article was written by Gyokujo Hanzawa and was entitled, "China Policy of the Tanaka Ministry—Nothing Noteworthy Done in Eighteen Months:"

> In consequence of the untimely collapse of the Wakatsuki Ministry due to its conflict with the Privy Council, General Baron Tanaka formed the present ministry of the Seiyukai, the party which at the time of the formation of the ministry was smaller in numerical strength than the Minseito party. In the spring of this year the Seiyukai Ministry dissolved Parliament and had recourse to a general election to gain a majority, but Premier Tanaka could not attain the desired end, and in the special session of the Diet that followed the general election, the Seiyukai (government party) and the Minseito (Opposition) were of about equal strength.
>
> The Tanaka Ministry therefore found itself in a difficult position, and because Home Minister Suzuki was strongly attacked by the Opposition, the ministry had to

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part with him and it was with great difficulty that the ministry pulled through the special session of the Diet.

The position of the Tanaka Ministry thus being quite unsteady, it has ever been intent on bringing about the stabilization of the political situation for the past 18 months, and has not been able fully to devote its attention to the improvement of the administration. Especially in foreign affairs, the Tanaka Ministry has given disappointment to the people.

The unexpected disintegration of the Minseito, placed the Tanaka Ministry in a favorable position, and, therefore, the government ought to do all in its power in the execution of its platform and in foreign affairs, unmindful of the opposition party and without caring much about party manoeuvres.

The Tanaka Ministry was by no means popular from the very first. But the intellectual classes unaffiliated with political parties, though not endorsing the ministry, hoped that it would be able to do something in foreign affairs especially in dealing with China. The China policy followed by Baron Shidehara, Foreign Minister of the former ministry, was denounced by the people, and it was generally considered that the continuation of the same policy was disadvantageous to the country, in making China all the more selfish and forfeiting Japan's prestige. A change in the China policy at the hands of the Tanaka Ministry was very much wanted by the people.

### Confidence Betrayed

But what has the Tanaka Ministry done in this direction since it came into being? The ministry very much heralded its positive China policy at first, and the people placed much hope in it. The government despatched troops to Shantung, and then propagated its Manchurian and Mongolian policy. The people began to entertain apprehension about the so-called positive policy of the Tanaka Ministry, but it was generally thought that the measures were unavoidable as a reaction of the week-kneed Shidehara policy. The people wanted to wait and see the development, but what development has been made in the Sino-Japanese relations since? I am in a position, without any connection with the government or any political party, to criticize with the utmost fairness the doings of the Tanaka Ministry.

In the past 18 months the newly risen militarists in South China have been able to defeat the Northerners and unify the country. Meanwhile, the Tanaka Ministry has not been able to do anything with China. The Nanking Government announced the abrogation of the Sino-Japanese Commercial Treaty, and an impasse in Sino-Japanese relations has been brought about. The Tanaka Ministry has not been able to settle the Nanking, Tsinan and other pending questions as yet, and it has not achieved anything in regard to its Manchurian and Mongolian policy. Our advice given to the Mukdenites to postpone the compromise with the South was most unfortunate. Sino-Japanese sentiment is running high throughout China, and Sino-Japanese trade is seriously affected.

### Waited Too Long

We do not blame the Tanaka Ministry as being reponsible for all this and we don't think that the present strained circumstances will continue for long, but unless the ministry finds a way out of the present fix speedily, the people will lose hope in the ministry, and curse it more strongly than they did in the case of the Shidehara diplomacy. We do not think that the Tanaka Ministry is unable to do anything more than what it has done in dealing with China, and we believe that it has many schemes and much confidence in itself, but we have already waited for the past 18 months and have not been treated to anything. Whatever promises the ministry may give for reserved dainties, the people will become hungry when they are not given them for long. Diplomacy is part of politics. In politics stagnation is to be avoided, and something new to satisfy the people must be done always. Otherwise the people are not satisfied.

The Shidehara diplomacy was all very good in its theory, but the stereotyped diplomacy was followed too long without bringing about any good result, and the Nanking affair was enough to incur the condemnation of the policy by the people. Continuity in diplomacy is essential, but statesmen should not forget that diplomacy is part of politics which abhors stagnation. The Tanaka Ministry very much heralded its new China policy, but seeing that it has not done anything commendable in the past one year and a half, but simply made the situation worse, we must say that the China policy of the Tanaka Ministry is a failure.

There have been, however, circumstances, which made

the execution of the China policy of the Tanaka Ministry difficult. There have been the sharp change in the political situation in China, and the selfish acts of the Chinese politicians. Another factor is the political situation at home which made it difficult for the ministry to concentrate its attention on diplomatic affairs. If the situation in China had not taken such a sudden turn and the Chinese politicians had not acted so waywardly, the Tanaka Ministry would have been able to do something to its credit. Any ministry would find it very difficult to deal with China when she acted so selfishly with no scruple as regards international faith in going so far as to announce the abrogation of international treaties. Thus viewed, it is rather natural that the Tanaka Ministry has not been able to do anything with China but simply wait and see.

**It Is Time Now**

The unstable political situation at home rendered it difficult for the ministry to devote its attention to foreign affairs. The ministry thought it advisable to herald its positive China policy as a means to win popularity in view of the unsteady political situation, but as we have said the ministry has not been able to achieve anything so far. But now that it has been placed in a favorable position by the split of the main opposition party, it is about time for the ministry to do something to its credit by finding a way out of the fix.

Those who plead for the ministry say that it has been taking only intermediate measures so far, and that it has not been able to have dealings with China in real earnest, inasmuch as the political situation in China is still unsteady, and new developments might take place any time. But if the policy so far followed by the ministry was of an intermediate nature, it must be said that it has been followed too long, and we should like to ask what fundamental policies the ministry has. Every diplomatic move should be made according to the fundamental policies, but the ministry has been too intent on the patch-up work. Therefore, the said excuse does not exonerate the ministry from the charge of inability.

Thus viewed the Tanaka Ministry falls far below the expectations of the people in its dealing with China. In the case of a business establishment, it declares dividends three times in the course of 18 months, and if a trading company with China is unable to declare a dividend for three terms no matter what the circumstances are, its shares will fall and the directors will not be able to stay in office.

It is far from me to take pleasure in attacking the inability of the Tanaka Ministry, but I am writing this with the hopes that the ministry will do something creditable before it is too late. Candidly speaking, the Tanaka Ministry so far has placed too much importance on the personal elements of the Chinese military and political leaders, and adopted a too great reactionary policy. Because the ministry placed undue importance on the personal influence of the Chinese military and political leaders, its policy fluctuated with the ups and downs of the Chinese leaders, and because it favoured a too great reactionary policy it incited the anti-Japanese sentiment of the Chinese. The Tanaka Ministry should carefully take note of this and do something creditable, for otherwise the people will lose all confidence in its China policy.

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**Anti-Japanese Agitations in Manchuria**

The *Japan Advertiser*, the American newspaper in Tokyo on Nov. 13 published a dispatch which was circulated by the *Nippon Dempo* service under a Harbin date-line which stated that 150 Chinese students were "either dead or injured" as a result of clashes with the police as a result of demonstrations which the students were holding against the construction of railways by Japanese interests in Kirin Province. The report stated that the Japanese Consul-General, Mr. Yagi, stationed in Harbin had protested to the Chinese authorities against the student demonstrations and that the action of the Chinese military in firing on the demonstrators had resulted from the Chinese attempt to suppress the disturbances. The accuracy of this report is unknown, but a Nanking report by the *Kuo Wen* news agency on Nov. 20 stated that Chinese public organizations in Nanking had demanded that the National Government should send representatives to Manchuria for the purpose of strengthening the opposition of the people in Manchuria to the Japanese demands in respect to the railway question; that a telegram of condolence should be sent to the relatives of the students who were killed in Harbin and that Gen. Chang Hsueh-liang, the head of the Manchurian Government should be warned against compliance with the railway program.

That serious students agitations are taking placl in Manchuria was also indicated in an interview with Mr. Yamamoto, president of the Japanese Government-owned South Manchuria Railway which appeared in the *Osaka Mainichi* on November 11 in which he said, "Young men and students in Kirin are carrying on a vigorous movement against the construction of the Kirin-Huining Railway, and I don't know who is supporting them, but Gen. Chang Tso-hsiang is going to do his best to suppress such activities." In this same interview, Mr. Yamamoto declared that the solution of the railway tangle in Manchuria depended largely upon the stability of the Tanaka Ministry. "If it is shown that the Tanaka Ministry is well stabilized after the Coronation ceremonies, it is likely to bring about an early settlement of all outstanding Sino-Japanese questions." A further report in the *Osaka Mainichi* on November 10 by a special correspondent of the paper in Mukden stated that the Mukden authorities had strictly prohibited any anti-Japanese movements, the order being issued in the names of the civil governors of Mukden, Kirin and Heilungkiang as a preliminary step toward the settlement of the Mukden-Tokyo "agreement" concerning railways in Manchuria and Mongolia which "was signed in Peking on May 15 of this year." This report further stated that this agreement had not been "realized" because of opposition in the Three Eastern Provinces, but that Japan was shortly sending "some distinguished messenger" to Kirin for the purpose of "smoothing down" the opposition of the provincial officials and public regarding the construction of the Kirin-Huming Railway (northeastern end of the Chosen Railway).

**Confirmation of Tanaka's Statement**

The foregoing would seem to confirm the statement made by General-Baron Tanaka on November 14 that the railway negotiations in Manchuria are "progressing satisfactorily." This is responsible for the charges of Chinese organizations here that main object of Tanaka's policy in trying to prevent Manchuria from uniting with territories now flying the Nationalist flag is for the purpose of consolidating her economic and railway position in Manchuria by forcing Chang Hsueh-liang to sign away certain favorable agreements to Japan and later use them as *quid pro quo* for bargaining with the National Government as to union of Manchuria. It is generally believed that no agreements entered into between Japan and Chang Hsueh-liang after the occupation by the Nationalists will ever be recognised in any manner by the National Government.

**Suggests Even Stronger Japan Policy**

As a result of a recent political realignment, which is said to have strengthened the Government Seiyukai Party in the Diet, it is now reported the Japanese Government may adopt an even more uncompromising policy toward China than has prevailed previously. The following translation of an article from the *Mainichi* bearing on this subject appeared in the Japan Chronicle on Nov. 17,

"According to the *Mainichi*, Mr. Tanaka, referring to the attitude of the present Cabinet towards the China problem, said that it had erred somewhat on the side of weakness. If the Government assumed a strong attitude hereafter in accordance with the views of the Kensei Isshinkai, he and his fellow members were quite willing to support it. In the matter of domestic administration, blunders committed by one Cabinet could be retrieved by the Cabinet that succeeded it, but in foreign administration, especially in the China po icy, one false step might be the cause of everlasting harm to Japan's interests. Mr. Tanaka desired that the present Cabinet should adopt the same strong attitude as had been assumed by the late Count Kato as Foreign Minister of the Okuma Cabinet in preferring the Twenty-one Demands to China. It was desirable that the China problem—the Manchurian and Mongolian subjects in particular—should be tackled energetically and settled quickly and fundamentally.

Mr. Kuhara is said to have assured the members of the Kensei Isshinkai of the resolution of the Government to devote its whole energy to the settlement of the outstanding problem between Japan and China. He admitted that the China policy hitherto pursued by the present Cabinet had been somewhat weak, and declared that a stronger attitude would be adopted hereafter.

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## SHANGHAI—ITS TERRITORIAL AND CONSTITUTIONAL PROBLEMS

(*Continued from page 435*)

to an end. The foreign authorities continued to buy land from the Chinese proprietors stealthily near the Hongkew Park for the construction of North Szechwan Road; and gradually the same trouble was found in Chapei. Though objections were frequently raised by our officials, the foreign consuls gave no definite answer. China was at last compelled to acknowledge them the right of perpetual leasehold in Chapei and other places.

The analogous case was also found in Woosung, a place about thirty li from Shanghai. It was in the year 1898, as Woosung was opened as a trading port, through the Imperial proclamation of Kwang Hsu that foreign merchants were permitted in the Woosung Land Regulation enforced under the supervision of Viceroy Liu Quan-Pe to have the same privilege with our natives in leasing lands and purchasing houses for residential purposes. The transaction between the foreign leasees and Chinese land proprietors were conducted in accordance with the process described in the Shanghai Land Regulations. The foreign merchants were then prompted by the future prospects described in the splendid plan devised by the late Tsin Dynasty for the reconstruction of Woosung Port; they bought as much land as they could. But the plan never came into existence as China was during that time menaced with financial troubles. Though those foreign merchants were not much benefited as the commerce remain inactive, yet the right of perpetual leasehold which they acquired in those assigned places of Woosung still persists.

The right of perpetual leasehold aquired by foreigners in Woosung was more or less based upon authoritative pretense. But, in Pootung, the case was quite different. China did not permit foreigners in any treaty the right of leasing land and purchasing houses in Pootung; nor did she grant this favor voluntarily. The transactions were carried out in secrecy. Their pretexts were not supported by legal grounds. In recent years, many a Chinese land dealer who knew nothing except money often sold his land to the foreign merchants stealthily and the title was transferred by means of a perpetual lease. The Gouchiaosha Case which happened in 1925 was a conspicuous example. Here the Japanese merchants obtained the deed of perpetual lease entirely through fraudulent process. Despite bitter opposition from the Chinese side, the Japanese consul took no heed, and the case was left unsettled. These places were far beyond the reach of the enchanting influence of title deeds; and the transactions concluded between the Chinese land proprietors and foreign merchants were doubtless of no legal effect. But, in fact, everything was carried on without much friction as China is not strong enough to stare in the face of any foreign power.

### Concessions Must be Abrogated

The situation of Chinese land owners within the settlement would be little improved by the introduction of Chinese title deeds. The system of title deeds plays a leading role in Shanghai territorial troubles. To remove all these evils, the retrocession of the settlements is an ultimate necessity. When we abolish the system of title deeds and compel the foreign land proprietors to register in our Chinese land bureau in accordance with Chinese custom, many present troubles will come to an end.

In discussing the evils imported after the grant of the right of perpetual leasehold to foreigners, the leased territories possessed by foreigners outside the settlements takes the leading place. The most conspicuous case is where they resist paying the land taxes. About five years ago a plan was enforced for the construction of a new road in the northern districts of Shanghai and a five percent tax was ordered by the Kiangsu Provincial Government to be collected upon the land lying nearby the road for the use of defraying all the expenses in the time of constructing the road. Those foreign proprietors, who obtained the title to their land through the application of title deeds, refused to pay the same tax as our Chinese land proprietors did. The Chinese Commissioner of Foreign Affairs made frequent objections on this point to the foreign consular bodies. The case was left unsettled as the Consular Body gave no answer. The land thus owned by foreigners was entirely within the jurisdiction subject to the direct control of our government. To pay the land taxes is the unquestionable duty of those land owners. There is no ground for them to refuse the orders of our government. It is unjust in the eye of law for them to seek the same justification for exemption that is engaged within the Settlement.

Moreover the territory they bought outside the limits of the Concessions was largely used for the purpose of building factories. There are two prominent evils at least to be mentioned. In the first place, it invites commercial competition with the native trade. Backed with big capital and aided by the skilfulness of labor and equipped with efficient machines, the foreign merchants utilize the cheapness of raw materials and lowness of wages in China. It is of course easy for them to beat down our Chinese manufacturers where everything has remained in a primitive condition. Now the growth of commerce in our country is apparently checked as the goods produced on our machines are far from being comparable with those from foreign factories. The fatal blow received in the development of the tobacco business and the spinning industry since the establishment of the British-American Tobacco Company in Pootung and the Japanese mills in Yangtzepoo is the best evidence. In the second place, it endangers the public safety. There are countless evils that threaten the public safety of our Chinese people caused by the establishment of foreign factories in Chinese territory. We still remember the terrorist turmoil caused by the explosion of the oil tank owned by foreign merchants in Pootung a few years ago. But China was unable to interfere. Again it often injures the public health. In Woosung a foreign leather factory was established whose continual pouring of unclean water into the river causes great danger to the health of the residents in the neighborhood. It is easy for us to pick out the like examples by thousands. But China has to swallow them.

### Problems Concerning the Outlying Roads

The question dealing with the extension of municipal roads outside the limits of Foreign Settlements is of equal importance with the foregoing problems. The history concerning the construction of the outlying roads starts early in the time of Taiping rebellion. There were two roads constructed at that time by the Municipal Council, i.e. Jessfield Road and Hungjao Road, each extending far into the Chinese territory; and not long after that, the roads near the Race Course were also enlarged by the Municipal Council for the convenience of traffic and vehicles. These roads were constructed with the purpose only for making the public communication more convenient. The action of the Municipal Council was supported with no legal grounds. For their own convenience the land regulations were voluntarily altered by foreigners in 1866 and in Article VI it is stated,

> It shall also be lawful for the Land Renters and others who may be entitled to vote as hereinafter mentioned, in public meeting assembled, to purchase land leading or being out of the Settlement, or to accept land from foreign or native owners upon terms to be mutually agreed upon between the Council and such foreign or native owners, for the purpose of converting the same into roads or public gardens and places of recreation and amusement and it shall be lawful for the Council from time to time to apply such portion of the funds raised under Article IX of these regulations, for the purchase, creation and maintenance of such roads, gardens, etc., as may be necessary and expedient. Provided always that such roads and gardens shall be dedicated to the public use, and for the health, amusement and recreation of all persons residing within the Settlement.

This regulation was hereafter taken by the Municipal Council as its authority with regard to municipal roads far beyond the limits of the Settlement. But in fact, this resolution was only suggested and passed by a few foreign land renters and foreign taxpayers. It was approved by the Diplomatic Body at Peking, but there was no acknowledgement from our government; nor was the right granted voluntarily. It was enforced entirely through the adoption of coercive methods. The Municipal roads were extended out into the Chinese territory from all sides of the Settlement. It is impossible to find the like case in the history of international law.

Moreover, it has been plainly expressed in the Land Regulations that every tract of land bought by the Municipal Council shall be with the mutual consent of the land proprietor. But, in fact, the case is quite different. The transaction is not settled by the Municipal Council directly with the land proprietor. The Municipal Council needs consult only with a few wicked gentries or the employees of realty companies, through whose hands everything will be cut short, as the result of the transaction generally means profits to them, as the terms are well arranged between them. The Council then issues a notice informing those land proprietors to come within the limit of a fixed time for receiving their purchase money, which is doubtless much lower than the usual price, as everything is done without their approval.

### The Councils' Aggressions

It has been said that the forcible purchase of the land belonging to our Chinese proprietors either within the limits of the Settlements or without, by the Municipal Council for the purpose of constructing the Municipal roads is itself an indication of violation of the land regulations. But the situation has grown exceedingly serious in the recent years. The Municipal Council regardless of the bitter reaction from our Chinese people and heedless of what has been expressed in the self-formulated land regulations undertook to construct municipal roads out into the Chinese territory without any previous notification. In the year 1925, the brook, Tsouchiapang, running in the western neighboring district of Shanghai, which was

formerly used for watering several hundred mows of farms, was suddenly filled up with earth by many hundreds of laborers under the instruction of the Municipal Council, whose aim was to make it convenient for paving the Municipal road into Fahwashien. Protests had been subsequently made by Hu Ren-fung, head of the Agricultural Department in Fahwashien, and many other representatives of diverse official bodies against the illegal intrusion of Chinese territorial sovereignty. The result was fruitless and the case left unsettled. In the autumn of the same year, the French Municipal Council undertook to bank up the Poo-tsou River, forcing inward the river bed by heaping up earth and stones for the purpose of building houses; and thus the waterway was obstructed and the navigation rendered impossible. To this unusual happening, opposition was raised in protesting by the Chinese Bureau of theShanghai Municipality. This was of course decidely useless as the negotiations were not backed by a strong government. Again in Decembe, 1925, the Shanghai Municipal Council suddenly sent a hundred or more hired laborers headed with several foreigners to remove in North Sinking a large fence which belonged to the Yuan Chun Shung Timber Company for the purpose of paving a new road outside the limits of the Settlement.

It is obvious that the extension of Municipal roads outside the limits of the Settlement undertaken by the foreigners was but a masked process adopted for enlarging the area of the Settlement. This process was in vigorous exercise before the May 30th Incident, in 1925. In the autumn of 1924, the Shanghai Municipal Council, taking advantage of our Chinese people being frightened away from their homes by the war in the neighborhood of Shanghai, engaged fearlessly in the work of constructing public roads in Fahwashien and Pusungshih, the western neighboring districts of Shanghai, without asking permission from our government or giving any notice to the land proprietors previously. The work continued despite many, sided reactions from the Chinese side. Besides, another six new roads were also constructed at the same time: one line began from Rubicon Road to Hungjao Road, and Great Western Road; and the other from Brenan Road to Hankonchang, Chenchiachiao, Hungjao Road and many other places—with a length of about one hundred li in all. But nothing more surprised us than hearing a plan was at the point of being enforced by the Municipal Council for paving two main roads of unusual length, one reaching Chinsan in Tsinpu and the other touching Chihpao of Sungkiang. Streams of telegraphic despatches, memorials and letters of all sorts were sent to our Minister of Foreign Affairs from the diverse public bodies, praying to make protests against such unconstrained violation of Chinese territorial sovereignty. To this our Minister answered in his usual easy tone, saying that negotiations had been started with the Diplomatic Body at Peking and instructions already given to the Commissioner of Foreign Affairs to notify the foreign consuls so as to have the work undertaken by the Municipal Council stopped instantly. But in fact our government could to nothing to restrain the foreigners from doing what they intended to do. Taking the very intelligible hint, our Commissioner put this matter aside as he was aware that the negotiation would absolutely be useless. It was not until the happening of May 30th Incident that the Municipal Council began to cease its work in fear of the bitter reaction from our Chinese people. The problem, however, is still left pending for settlement.

**Chinese Lose Police Control**

The most significant evil involved in the forcible occupancy of the territory outside the limits of the Settlements for the construction of Municipal roads by foreigners was the deprivation of our police control overour own territory; for these roads were wholly guarded by foreign policemen who would interfere in anything which happened within their sight. Controversies with regard to the conflicting powers of the two police organs become for years the laughing stock of the peoples from all nations. Chinese policemen with arms were not allowed to cross these out-stretched roads. The Public Safety Corps were often driven away from their posts without sufficient reasons. Those Chinese who caused the disturbance of public peace were ordered to be taken to the foreign police station. These were the substantial evidences showing the degradation of Chinese territorial sovereignty. In the recent years, the cry for the retrocession of the Settlements has reached the highest pitch; but there is no effect at all. It has been rumored that North Szechuen Road is to be handed over to the control of the Chinese police administration. But it is not true; for a denial has been issued recently by the Shanghai Municipal Council, admitting only the right of Chinese policemen across the said road. Judging from these circumstances, it is far beyond our hope to take back from the hands of foreigners either the roads intruded into our Chinese territory or the Concessions as a whole. The means and methods for restraining the foreign municipal authorities from carrying on the work of paving the Municipal roads outside the settlements will in the near future undoubtedly become most important problem.

The following is a list of roads extended by the Municipal Councils outside the Settlement limits (as published in *Sin Wan Pao*, Feb. 5,1925) Great Western Road, 13,000 square feet; Hungjao Road, 20,004; Connaught Road, 3,500; Jessfield Road, 16,000; Penang Road, 2,500; Edinburgh Road, 5,200; North Szechuen Road, 7,200; Barchet Road, 360; Kiangwan Road, 3,750; Dixwell Road, 3,800; North Soochow Road, 1,900; Avenue Foch, 4,500; Singapore Road, 3,000; Kiaochow Road, 700; Scott Road, 2,000; Robison Road, 12,000; Rubicun Road (to Hungjao Road), about ten li; Rubicun Road (Warren Road), 12,500 square feet; Columbia Road, 4,000; Lincoln Road (from Warren Road to Great Western Road), 4,800; Lincoln Road (from Warren Road to Rubicon Road) 9,000 Monument Road, 13,000; Brenan Road and Robison Road, 23,000; Yu Yuen Road, 10,000; Kinear Road, 2,000; Haskell Road, 670; Fahwa Road, 4,800; Tonshien Road, 4,200; Keswick Road, 8,800; Macleod Road, 6,000; Fraser Road, 2,400; and Jernigan road, 2,000.

Shanghai, November 14, 1928.

## Gradational Tariff Schedule

Although no definite announcement has yet been made, there are indications that the gradational tariff schedule formulated by the International Tariff Commission at Peking in 1926, may be adopted by the Nationalist Government as a transitional arrangement with the Powers pending the abolition of likin and the declaration of tariff autonomy, Chinese reports state that since the reorganization of the Nanking Government last month, adequate steps have been taken to abolish likin and declare tariff autonomy and that the adoption of the gradational schedule has met with the approval of the various foreign powers concerned.

The *China Banker's Weekly* of Shanghai in a recent issue printed an interview between T. V. Soong and the Japanese Consul at Nanking. In the course of the intervew it was stated that the gradational tariff schedule divides 138 articles of import into seven grades, with tariff rates fixed from 2.5 to 22.5 per cent additional to the existing 5 per cent. ad valorem rate.

A strong protest against the adoption of the gradational tariff schedule has in the meantime been lodged by the National Association of Chambers of Commerce of the Republic of China in a telegram to the Central Headquarters of the Kuomintang and the Central Executive Board of the Nationalist Government and the Ministries of Foreign Affairs, Finance, Industry, Commerce and Labor. These Chinese bodies urged the Nanking Government to declare tariff autonomy on January 1, 1929.

The gradational tariff schedule, according to the *Chinese Bankers Weekly* classifies import commodities into seven grades as follows.

Class A.—Spirits of wine, brandy, whisky and cigars.—22.5 per cent.

Class B.—Cigarettes, tobacco leaf, cigar making materials and smoking articles, beer, fruit syrups, port wine, rice wine, white gold, gold and silver wares, curios, jades and precious stone wares:—17.5 per cent,

Class C.—Silk Textiles, woollen and cotton woven decoration materials and fancy ornaments, clothing, footwear, hats, leather, manufactured feather, various chemical products, toilet articles amber, tortoise, coral, works of art, imitation pearl articles, gold and silver articles, lacquerware, paper ornaments, clocks, watches, photographic and moving picture materials, musical instruments, toys, motor vehicles, accessories, marine products, candies, confectioneries, canned goods, white sugar, biscuits and sauce:—12.5 per cent.

Class D.—Silk and cotton piece goods, linen and silk articles, artificial silk and woollen carpets, umbrellas, fine paper, ivory articles. plate glass, crystal, porcelain and chinaware, eye glasses, boilers, electric lamps and accessories, gas lamps and accessories, pipes, wooden furnitures, toilet perfume soap, milk:—10 per cent.

Class E.—Woollen and cotton mixed textiles, satin, buttons, oil cloth, artificial leather upholstery, dyes, oil painting materials, chemical materials, gums, wax, kerosene oil, gasoline, matches, laundry soap, glassware, refrigerators, cooking utensils, hardware, nails, bicycles, typewriters, globes, surveying apparatus, electric materials, kerosene lamps, telephone materials, artificial ivory articles, perfumes, aniseed, cloves, sugar canes:—7.5 per cent.

Class E. — Small Parcel Post articles and sundries not included in any of the above mentioned headings: 5 per cent.

Class F.—Raw cotton, hemp, cotton yarn, cotton jeans, cotton bags and bag making cloth, fertilizers and fruit jams: —2.5 per cent.

It is to be noted that in the above summary there is an important omission, namely machinery.

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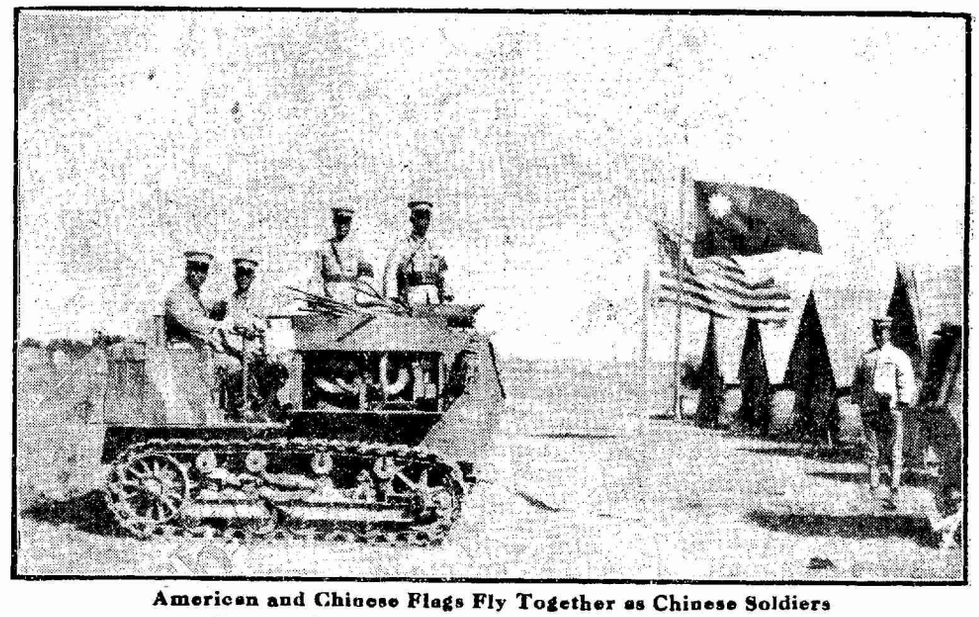
# American and Chinese Cooperation in Road Building is Commemorated by a Monument

General Smedley D. Butler, commander of the American Marine Forces in China, was presented with a "ten thousand men umbrella" during the early part of this month by the elders of the village of Peihang ten miles north of Tientsin, as a token of their appreciation of the assistance given by the Marines in building a new bridge and reconstructing the Peiping-Tientsin highway in that vicinity.

The "Ten Thousand Men Umbrella" is presented only by unanimous consent of a village. It has been customary to give umbrellas to Chinese officials who have been especially kind, as a mark of universal esteem.

The new bridge was dedicated on October 4 with high officials of the Chinese government and Marines present. The bridge was built by the 5th Engineers of the Marines under the command of Capt. F. M. Howard. With the help of the Marines and 2,000 or more Chinese troops the road from Tientsin to a point well past the bridge was made over. The Marines have been camped along this road for the past month.

A much more elaborate ceremony took place November 10 at the village of Yangtsung, where a monument erected as a testimonial of Sino-American co-operation, was unveiled by Mrs. Lin, daughter of Lin Kuan-hsiung, a former Minister of the Navy, before a large gathering of Chinese and American officials, military and civil. Among those present were: John V. A. MacMurray, American Minister and his staff; General Butler and his staff; Gen. Fu Tso-yi, defense commissioner at Tientsin; Tsu Ting-hsien, mayor of Tientsin; Mr. Wang, delegate of Gen. Pei Tsung-hsi; So Ti-jen, commissioner of foreign affairs of Hopei province; and Chu Hwa, director of the Peiping-Mukden railway.



**American and Chinese Flags Fly Together as Chinese Soldiers Operate American Tractor Over the New Highway**

The monument consists of two large blocks of granite, about four feet square at the base and six feet in height. There are four bronze slabs on the monument, two bearing inscriptions in English and two in Chinese. The slabs bearing inscriptions in English read respectively "Sino-American Highway opened 10th November 1928" (with the Nationalist and American flags engraved on the slab), and "Third Brigade United States Marines 5th Engineer Co. Captain F. M. Howard, Commanding, Lieut. L. E. Marie Jr., Sgt. A. S. Borek, Cpl. J. A. Baresch, Cpl. G. W. Childers, Cpl. D. Crews, Pvt. 1st Cl. E. L. Noque, Pvt. 1st Cl. C. J. Clow, Pvt. 1st Cl. J. C. Haley, Cpl W. G. Rapphahn and Company details." The slabs bearing inscriptions in Chinese are dedicated to the 2nd and 3rd army corps, respectively.

The monument was surrounded by a wooden platform erected for the occasion to accommodate the various military and civil officials, and their wives, taking part in the unveiling ceremony. About 500 United States Marines and 700 Chinese troops attended the ceremonies and marched past in review. The date of the ceremony was set for November 10, as that was the 153rd birthday anniversary of the Marine Corps.

General Fu Tso-yi, defense commissioner of Tientsin, in opening the ceremonies said that Chinese troops had undertaken to rebuild the Peking-Tientsin highway, and thanks to the assistance of the American marines they had now completed the section from Tientsin to Yangtsung, and the monument had been erected in commemoration of its completion.

Gen. Fu Tso-yi, defense commissioner of Tientsin, said he was glad that he was able to participate in such a ceremony, where two countries, although widely separated, with different languages and different customs, united for a common constructive work; they were in friendly cooperation, as they were both peaceably inclined and held each other in friendly esteem. He expressed the hope that the two countries would always work together in friendly cooperation.

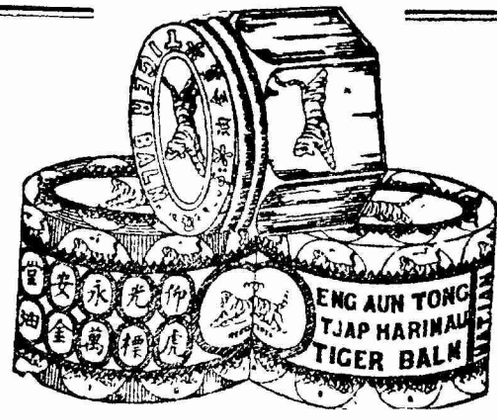
Mr. Mac Murray, in his address, said it was a matter of of protecting American citizens from any possibility of outrage particular gratification to him to have been asked by the Chinese authorities controlling the area to participate in the day's ceremonies which commemorate and record the cooperation between their troops, and those of the American Marines, in a constructive effort accruing to the benefit of the people of China. This road which was being rebuilt was of importance in itself for the public interests which it can be made to serve. But it was, he said, to his mind, of vastly greater significance as a type of the effort to which the new China could and must direct its energies with means of livelihood and of happiness for its people. If it was possible for the armed forces of America to give any degree of help in the rebuilding of the road by the Chinese authorities, he was proud that they have realized and availed themselves of the opportunity to further such constructive efforts on the part of the Chinese authorities, even while stationed there for the necessary precautionary purpose by those elements which (as a result of subversive agitation) might even consciously seek to betray and belie the natural sympathy between the people of China and of the United States.

General Butler, in a brief address, said that since the arrival of the Marine brigade in China, the Marines had been looking for an opportunity in some practical way to indicate to the people of China their anxiety to be of practical service and to assist the Chinese to become united. Nothing in the world, he said, so bound a nation together as a road, as it gave opportunity to all persons to travel and to associate one with the other. If Americans, had assisted in demonstrating the ease with which a road system in China might be started, they could feel that they had been well repaid by the thought that it might be continued. One had to wonder how a nation which built the Great Wall of China had never built a road system. It might appear that the former rulers of China, for some reason, did not care to have the various factions of the country associate one with the other. Now that is changed and the great American people look forward to see China build a road system. The sight of Chinese and American troops standing side by side, he said, would be very pleasing to the people of the republic, as America had always felt for China a very strong affection.

Addresses were also made by General Kung, representative of the second army corps; General Wang, representative of General Pai Chung-hsi; and Mr. Tsui Ting-shien, Mayor of Tientsin.

One of the features of the ceremony was the receipt of a telegram from Admiral Mark L. Bristol commander of the U. S. Asiatic Fleet, to the Commanding General, (General Butler) Third Brigade, U. S. Marine Corps, Tientsin, China, which read:

"Present my compliments to General Yi and to the Chinese Committee in charge of the ceremonies incidental

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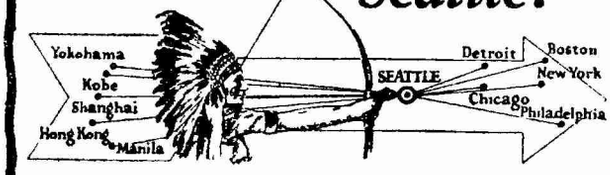


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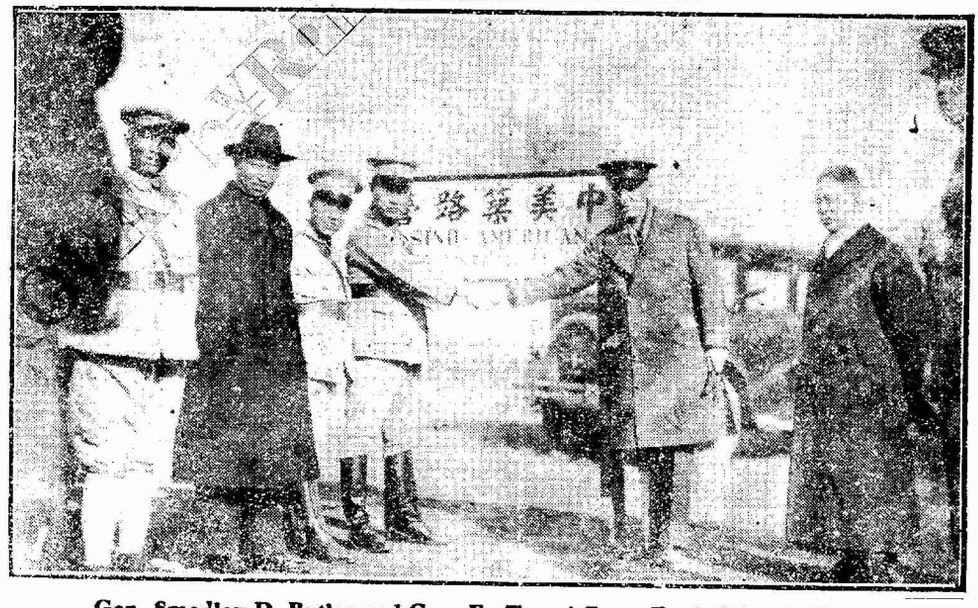
to the opening of the Sino-American Highway, Tientsin to Peiping, and express my sincere regret that it is impossible for me to accept their very thoughtful invitation to be present at the dedication of this road, and at the unveiling of a monument to commemorate this event. These ceremonies on the tenth of November, the one hundred and fifty third anniversary of the Marine Corps will make this a memorable anniversary of an already very distinguished branch of the United States National Service, and the oldest corps of the Navy.

"The association of these Chinese soldiers with the American Marines, representing the military forces of the two countries, in rebuilding the Tientsin—Peiping road is evidence of the friendly relations existing between the people of China and of America, and it is hoped it may be typical of all further relations, between the two countries.



**Gen. Smedley D. Butler and Gen. Fu Tso-yi Greet Each Other in Front of the Sino-American Highway Monument**

"My best felicitations to every one connected with the ceremonies. I heartily congratulate Brigadier General Butler and all of those under his command for their assistance in this event, and upon their privilege in being associated with work which reflects much credit upon them.

"The Commander-in-Chief is proud to have such a unit under his command. My best thanks to your Chinese associates for their kind invitation."

## Frank Lee and P. W. Kuo Address British Commerce Chamber in New York

Frank Lee, a representative of the Chinese National Government in the United States and P. W. Kuo, director of the Chinese Institute of America, delivered addresses on October 17 before the British Empire Chamber of Commerce in New York City in which they both declared that the National Government is not anti-foreign, but is "anti-special privilege and will protect foreign interests in China just as they are protected in any other foreign state. But foreign interests cannot take precedence over the sovereign rights of the people, and the Government expects to protect those rights."

Dr. P. W. Kuo, director of the China Institute of America, said that militarism and nationalism in their new role in China have been overdone in some respects, resulting in poverty and abuses of various sorts, but the unity of the Chinese which has come with the new Government places the resources of the country in better position to combat the abuses and to bring about better business and social conditions,

D. E. Douty, vice-president of the United States Testing Company, also addressed the meeting, his address being referred to in the editorial columns of this issue of *The Review*.

# Men and Events

Webster Baer, representative in the Far East for the Union Oil Company, arrived in Shanghai this week from Japan.

H. J. Fruin has severed his connection as advertising manager of *The China Press*.

Eugene O. Neill, famous American playwright, is a visitor to Shanghai, accompanied by his wife.

R. T. Denison, of the Standard Oil Co., departed for the United States on the s.s. *President McKinley*.

H. A. Schaener, president of the American Ginseng Company, arrived from Hongkong early part of this week.

George J. McCarthy, assistant passenger agent of the Dollar Steamship Lines, sailed for Southern ports on the s.s. *President Garfield*.

M. Albert Thomas, director of the International Labor office arrived in Peiping from Europe recently, and is due shortly in Shanghai.

Mrs H. A. Limby, who has been a resident of Shanghai ever since her birth here, celebrated her seventieth birthday November 22.

Y. H. Chu, representing the *Donga-Il-Po* (Oriental Daily News), which is edited and managed by Koreans at Seoul, is in Shanghai on business.

Carl Crow, publisher of *The Evening News*, Shanghai, has returned from a vacation spent in Japan. He was accompanied by Mrs. Crow.

Dr. Herbert Chatley delivered a lecture on "Egypt a Study in World History" before the American Women's Club, Shanghai, November 20.

The death occurred at Shanghai November 21 of Louis Ladow, a resident of China for a quarter of a century and a pioneer in the catering industry.

H. H. Arnold of Shanghai and Tseng Young-fu, vice-Minister of the Council on Reconstruction, have returned to Shanghai from a trip to Hangchow.

A statement was made in the House of Commons November 20 that the cost of the British forces sent to Shanghai has up to date amounted to more than G$20,000,000.

R. L. Teigler, engineer connected with the Frigidaire Corporation, arrived in Shanghai from the United States recently. He is accompanied by his wife.

Mrs. Elizabeth D. Saum, who was formerly connected with *Asia Magazine*, New York, has arrived in Shanghai on a brief visit and is staying at the Palace Hotel.

R. H. Gregory of the British-American Tobacco Company, accompanied by Mrs. Gregory and their daughter, returned to Shanghai this week from a trip to the United States.

The *Kuo Min News Agency*, which was formerly located in the Central Bank on the Shanghai Bund has removed to No. 1c Kiukiang Road, where a permanent office has been established.

Miss Eva Chang who has been connected with the Shanghai office of the *Kuo Min News Agency*, the official Government service, has been transferred to Nanking where she will act as correspondent.

Miss Grace Mann of the Baptist Missionary society was shot dead by bandits while travelling between Taiyuanfu, capital of Shansi, to Sinchow, about 45 miles to the North. Miss Mann was a British subject.

Marshal Li Chi-sen, the new Chief of Staff to the Nationalist Government, and concurrently Chairman of the Kwangtung Provincial Government, departed from Shanghai for Canton end of last week.

The Rev. A. R. Kepler, member of the Church of Christ Mission in Shanghai is departing shortly on a trip to the United States and Great Britain and expects to be away until about April of next year.

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Mr. and Mrs. K. E. Graham of the Standard Oil Company, who have just returned from a trip to the United States, have been transferred to Mukden where Mr. Graham will be connected with the Manchurian office of the company.

S. Yada, Japanese Consul-General at Shanghai went to Nanking on Monday, Nov. 19 for the purpose of resuming conversations with officials of the National Government on various outstanding Sino-Japanese diplomatic questions.

A dinner was given in honor of Yu Chuen James Yen by the American Cooperating Committee of the Chinese National Association of the Mass Education Movement in New York October 23 at the Plaza Hotel Ballroom.

Mr. and Mrs. Nathaniel Peffer, who arrived in Shanghai last week after a trip through North China, are now living at No. 689, Rue Ratard. Mr. Peffer is in China making a special investigation on behalf of the Guggenheim Foundation.

The Tah Tung (Chinese) Steamship Company have been awarded damages totalling $263,000 against the Satoh Shokoi Goshi Kaisha, owners of the s. s. *Atsuta Maru*, which collided with the former company's steamer in the Yangtsze several months ago.

The announcement was made during the week that Capt. W. G. Clarke, Deputy Commissioner of Police, whose resignation last week had caused quite a sensation, has withdrawn his resignation. The Municipal Council has granted him two months' sick leave.

In a recent telegram sent from Hsuchow to the Kiangsu and Chekiang provincial governments, General Chiang Kai-shek ordered the two provinces to complete the construction of a motor road connecting Hangchow with Nanking before the end of next March.

Rev. J. W. Lowrie of the Presbyterian Mission (North), departed from Shanghai during the week, where he will represent the China Mission at the forthcoming centenary celebrations to mark the starting of Mission work in Siam by the Presbyterian Board.

The annual meeting of the members of the Columbia Country Club will be held Friday, January 18, 1929, commencing at 6 p. m. A nominating committee, consisting of A Bassett (Chairman), N. F. Allman, E. C. Stocker, E. H. Staber, and Dr. T. B., Dunn, has been appointed.

Erich Von Salzmann, correspondent in Peiping for the *Vossiche Zeitung-Ullstein Verlag* of Germany, arrived in Shanghai this week and is planning to spend considerable time visiting various parts of South and Central China. Mr. Salzmann is staying at the Astor House Hotel.

The Pan-Pacific Association of Shanghai will meet at the Astor House Hotel (today) Saturday, November 24, at 12.30 p. m., the chair being occupied by Admiral Mark L. Bristol, Commander-in-chief of the U. S. Asiatic Fleet. Dr. C. T. Wang, Minister of Foreign Affairs, will speak on the subject of "Trials and Achievements of the National Government."

## National Government Invites Roosevelts To Visit China

The National Government on November 22 sent a telegraphic invitation to Theodore and Kermit Roosevelt, sons of the late Theodore Roosevelt, to visit China on their present hunting trip which, according to report is to include Burma, Tibet, Yunnan and Szechuen provinces. The telegram which the Chinese Government sent was dispatched by Dr. C. T. Wang, Minister of Foreign Affairs and stated that China granted full permission for the Roosevelt brothers to visit China for hunting purposes and extended full facilities, with a reservation attached, however, that the National Government could not assume full responsibilities for protection in places where political conditions are unsettled.

The Roosevelts arrived at Southampton, England, on Nov. 18 and according to a *Reuter* report they propose to first visit Burma and then to proceed overland into Tibet and then into China. They may also proceed into French Indo-China while on the expedition which is being taken on behalf of the Field Museum of Chicago. They expect to reach Chinese territory early next spring. They will be accompanied on the trip by Jack Young, son of F. T. Young, general manager of the Union Trading Company of Hankow, who will serve as interpreter and guide. Mr. Young was formerly a student at New York University.

Shortly before the party departed from New York on October 31, Dr. C. C. Wu, former Foreign Minister of the National Government and now special envoy to the United States, cabled to Nanking asking that the Government give the party full facilities for visiting China and also extend facilities for their protection.

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## Japanese Are Watching America's Attitude Towards Abolition of Extraterritoriality

The *Osaka Mainichi* (English edition)—November 17 printed an article stating that it is learned from authentic quarters that the United States, which contemplates elevating her Legation in Peking to an Embassy, is also considering the showing of a favorable attitude regarding the proposal of the abrogation of extraterritoriality which was made by the National Government of Nanking to the Foreign Diplomatic Corps of Peking on October 19.

Said Japanese paper states there is a possibility of the United States' granting the foregoing Chinese aspiration in such a manner as the agreement concluded between Minister MacMurray and Sung Tsu-wen regarding the tariff, in which the application of the most favored nation clause was made prerequisite; that is, the United States may conclude another agreement with China and by virtue of which the United States will agree to the abrogation of extraterritoriality, with a reservation that China will make no discriminative treatment between the United States and other Powers who do not agree to abrogation of extraterritoriality.

Under the caption "Japan Watching," the *Mainichi* continues: "If the United States announces, as it is expected, that she will withdraw her extraterritoriality rights from China, it is bound to create a great sensation among the 12 countries which, in September, 1926, dispatched their delegates to Peking, and drafted a joint advice to China in connection with the proposed abrogation of extraterritoriality. The Japanese Government now carefully watches the next American move in regard to this question."

## Japanese Censors Forbid News of Labor Riots

(*Kwo Min News Agency*)

Tokyo, Nov. 20—Very big labor demonstrations took place during the coronation festivities in Tokyo, Osaka and even in Kyoto. Two clashes took place between the police and the demonstrators in Tokyo on the 11th. At one of them 8 demonstrators were killed, over 60 wounded and about 200 arrested. Casualties also took place in Osaka. In Kyoto about 400 men were arrested. It must be considered that though officially, the Japanese Authorities regarded this matter as Communistic demonstrations, actually all independent Labor and Opposition Factions were involved. A second demonstration took place in Tokyo on the 12th of the month. A clash took place between Japanese regular soldiers and the Police on one side and the demonstrators on the other. On the part of the soldiers two were killed, on the part of the Workers 21 were killed. Strictest censorship is being observed, not only with the foreign press but also for Home consumption in Japan so that no news of these clashes have been published

## American Red Cross Seeks New Members in Shanghai

The American Red Cross is at present conducting a sort of "drive" to have members renew their membership and to secure new members. The time set apart for the roll call is from Armistice Day to Thanksgiving Day. The American Red Cross has many calls made on it, and no charitable work is more efficiently conducted than this. Members are urgently needed and membership cards may be obtained for $2 from the following recruiting depots:—American Oriental Bank, National City Bank, Virginia Cowper's Bookstore, the Foreign Y. M. C. A., American School, and the American Women's Club.

## Returns From Extensive Trip Over United States

Miss Margaret Powell returned to Shanghai this week after a trip of six months over the United States on which she accompanied Misses Kwei Sung, and Kwei Chuen, daughters of Cheang Parkchew of the Wing Tai Vo Tobacco Company, who entered Duke University this fall. The Misses Cheang are graduates of McTyeire School of Shanghai and expect to spend four years as students of Duke University, Durham, N. C., which was established by the late James B. Duke, the founder of the American Tobacco Company and later the British-American Tobacco Company.

# Japanese News Reports on Chinese Situation

*The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:*

*Foochow, Nov. 13.*—China Merchants steamer *Hsinchi* goes aground at Taishang Island, off the border of Chekiang and Fukien provinces.

*Tokyo, Nov. 14.*—Representative of Mitsui Bishi and other Japanese firms states that they demand that when the Japanese government grants tariff autonomy to China it shall put in a condition that increased revenue shall be used to meet China's liabilities to Japan.

*Osaka, Nov. 14.*—Sino-Japanese questions are discussed at a dinner party given by leading business men in Osaka.

*Tokyo, Nov. 15.—Jiji* in editorial states that America apparently intends to compete with Britain for naval supremacy, and states that it feels inclined to feel that there is no special reason for American opposition to the Anglo-French naval pact.

*Kyoto, Nov. 15.*—Premier Tanaka summons Minister to Peking, Minister of Foreign Affairs, Chief of the Asiatic Bureau, to Kyoto for conference on forthcoming negotiations with China.

*Tokyo, Nov. 16.*—Japanese military authorities, it is stated, have submitted a strong proposition to Premier Tanaka pointing out that Chiang Kai-shek and other Chinese government authorities do not attempt to control anti-Japanese agitation although in a position to do so.

*Mukden, Nov. 15.*—Chang Hueh-liang dismisses Chuang Hua-hsiang as director of Harbin special district and appoints Chang Ching-hui in his place.

*Peiping, Nov. 17.*—Chinese merchants here are stated to be dissatisfied with the results of the anti-Japanese agitation, as two-third of the inhabitants are, a result, suffering from hardships.

*Peiping, Nov. 17.*—Anti-Japanese Society imposes 50 per cent advalorem tax on all Japanese goods passing through gates of the city.

*Peiping, Nov. 19.*—Erh Ping, Yen Hsi-shan's appointee to the salt office, arrives at Kalgan to assume his duties.

*Nanking, Nov. 20.*—Negotiations are resumed between Mr. Yada and Dr. C. T. Wang on outstanding Sino-Japanese questions. Japan's idea is to settle minor question first, whereas Chinese insist on the simultaneously solution of all questions *en bloc.*

*Peiping, Nov. 21.*—French Minister will proceed to Nanking next week to discuss treaty revisions, Customs tariff, etc.

*Tokyo, Nov. 21.*—South Manchuria railway to construct landing places at Tokyo, Nagoya and Osaka for Manchrian products.

*Nanking, Nov. 21.*—Mr. Yada and T. V. Soong confer on salt gabelle and treaty questions.

*Nanking, Nov. 21.*—Interview arranged between Mr. Yada and Dr. C. T. Wang is posptoned, owing to disagreement on the subject of withdrawal of troops from Shantung.

*Peiping, Nov. 22.*—Tramcar employees here, goaded by repeated outrages of soldiers who insist on riding free, allow all passengers to ride free.

*Tokyo, Nov. 22.*—Wang I-ting arrives with notable Chinese paintings for exhibition at the Oriental Fine Art Exhibition at Uyeno Park.

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# From the Chinese Press

*(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).*

*Wednesday, November 14.*—Tan Yen-kai exhorts the staff of the Executive Yuan to give it a fair trial.—Yen Hsi-shan opens shelter stations for famine sufferers in Shansi.—National Coast Guard Bureau installs a shortwave radio station for the purpose of broadcasting weather reports.—Preparatory Committee for interment of Dr. Sun Yat-sen requests Ministry of Railways to furnish a special car.—Executive Yuan holds third meeting, instructs Ministry of Finance to appropriate $1,000,000 for famine relief.—Mandate for the rehabilitation of Szechuan is issued by State Council,—Executive Yuan pleads for leniency for Cheng Chien, who was in charge at the time of the Nanking Incident.—Communist organs and "profiteering papers" in Shanghai to be suppressed by Shanghai Municipality.—Chiang Kai-shek reviews 25th and 27th brigades of 3rd Division at Haichow.—Ministry of Finance instructs Mr. Edwardes, officiating Inspector general of Customs, that all amortization funds for redemption of various loans be deposited with Central Bank of China.—State Council announces a conference of military commanders to meet at Nanking December 1.—Chang Ching-kiang arrives at Hangchow.—Inspectors are dispatched by Vice Admiral Chen to visit gunbants along the Yangtsze.—Peiping division of C. P. C. decides to establish a party training institute.—National Anti-Japan Association at Nanking appeals for pursuance of firm policy in negotiations with Japan.—Telegraph Administration formulates plans for improvement of telegraph and telephone service.

*Thursday, November. 15.*—T. V. Soong, Minister of Finance, issues statement that although Salt Administration will continue to collect salt revenue, it will no longer be entrusted with custody of funds, except those provided by the Ministry to meet the service of loans.—Liu Tsung-yi is appointed Chief Inspector and Hussey-Freke associate Chief Inspector of Chief Inspectorate of Salt Revenue—C. P. C. holds 163d meeting at Nanking, Ten Yen-kai presiding; among the business transacted was the referring to the Ministry of Railways the petition of Yen Hsi-shan for the construction of the Shihkiachwang-Tsangchow railway—Peiping division of C. P. C. asks for abolition of special tax on flour imported into Hopei from Kiangsu and Shantung.—A committee for disposal of confiscated properties is appointed by Special Municipality of Shanghai.—Reconciliation between capital and labor is urged in proclamation issued by Shanghai Bureau of Social Affairs.—Members of the Society of Revolutionary Comrades of the Three Eastern provinces residing in Nanking and Shanghai give suggestion towards an early solution of the Manchurian situation.—National Federation of Chambers of Commerce in telegrams to various government departments at Nanking urges declaration of tariff autonomy by China and expresses oppoition to enforcement of the seven-grade (classification) tariff.—Shanghai opium divans in Shanghai to be closed or raided within ten days according to order of Col. Tai Shih-fu.—Yang Yu-ting telegraphs to Pei Tsung-hsi and Yen Hsi-shan that he wishes to confer with them regarding evacuation of Fengtien troops east of Lwanchow—Kirin dispatch states that inhabitants on border of province plan to fly Nationalist flag.—New examination to be inaugurated at Nanking, January 1, next year.—Repairs to banks of Yangtsze river in provinces of Hupeh, Anhwei and Kiangsi proposed by Hupeh in cooperation with other provinces.—Chiang Kai-shek instructs Fokein province to continue troop disbandment.

*Friday, November 16.*—Government officials in various organs under jurisdiction of State Council at Nanking to have salaries reduced thirty per cent from December 1.—Disbandment and reorganization of the three armies in Kwangtung continues.—Shanghai Provincial Government will establish relief department for famine sufferers in the province.—T. V. Soong asks State Council to instruct Government organs to deposit funds in Central Bank branch shortly to be opened at Nanking.—Newly appointed members of Szechuen provincial government, now outside of the province, are requested by other members of the Committee to proceed to Chungking as soon as possible.—Construction of light railway between Tatung and Taiyuan in Shensi to be commenced January, 1929.—Telegram from Changsha calls attention to the drop in Hunan provincial revenue as a result of opium suppression measures, the prohibition of export of rice and drop in land tax owing to

various disasters in the province. Electric automatic clock is installed in Drum Tower at Nanking.—Chang Chi-kiang announced to be shortly starting on a tour through Shantung, Honan and Shensi to conduct an anti-opium smoking campaign.—Negotiations proceeding between T. V. Soong and Mr. Yada regarding Japanese loans secured on salt surplus.—Announcement made of signing of Sino-Norwegian treaty recognizing tariff autonomy for China.—Yen Hsi-shan telegraphs from Peiping that he will proceed to Nanking within a week.—Chiang Kai-shek in a telegram to Tan Yen-kai suggests restoration of the former Provincial Police Administration Departments.—Gen. Chang Chen announces that he will take over garrisoning of Chuanchow, Fukien.—Central Political Council at Nanking issues translation of regulations for punishment of kidnappers.—Chang Hui-chang arrives at Hankow on his airplane "Canton."—182d meeting of Standing Committee of C. E. C. takes place at Nanking, Hu Han-min presiding; Postponement of holding of Third National Congress of Kuomintang is discussed.—Chiang Kai-shek arrives at Hsuchow.

*Saturday, November 17.*—Third National Congress of Kuomintang postponed until March 15, 1929, according to a decision reached at the 183d meeting of the Standing Committee of the C. E. C.—Ministry of Finance remits $600,000 and $500,000 to Fourth and Second Group armies for reorganization purposes.—Famine refugees from Honan flock to Nanking; those physically fit are to be put to work on road construction.—Examination Yuan instructs legations and consulates abroad to secure all available information on civil service examinations.—New Ninghsia Provincial Government officials assume office at Lanchow.—Chang Ching-kiang is installed as chairman of the Chekiang Provincial Government at Hangchow. 3,000 houses to be built at Nanking by Municipality for accommodating the poor and homeless.—Definite plan for bandit suppression in Hopei is arrived at by conference of military leaders.—Feng Yu-hsiang directs Shantung, Honan, Kansu and Shensi provincial governments to place revenues under control of Central Bank.—Office of National Tariff Commission to be removed from Shanghai to Nanking.—Sun Fo, Minister of Railways in a recent telegram to Chang Hsueh-liang stated that five hundred thousand people are dying of hunger and two million are faced with starvation; Sun Fo urges Chang to return the cars and locomotives belonging to the Peiping-Hankow, the Tienstin-Pukow and the Peiping-Mukden railway.

*Sunday and Monday, November 18 and 19.*—Chiang Kai-shek returns to Hsuchow from Yenchow.—National Budget Committee urges that central and provincial government organs complete their budgets for 1928.—Reorganization of Fourth Group army at Hankow continues.—Hsu Shih-ying, Hsueh Tu-pi and Liu Chi-chow are appointed to draft relief measures for Honan, Shensi, and Kansu.—National Native Products Exhibition to be removed to Hankow at close of exhibition in Shanghai.—Radio broadcasting station to be erected at Hankow to assist in bandit suppression.—State Council instructs central, provincial and municipal governments to deposit their funds with Central Bank of China.—National Government gives official recognition to Bank of Communications.—State Council at Nanking promulgates constitution of the Supreme Court.—Chiang Kai-shek arrives at Pengpu.—Famine relief for Honan, Shensi and Kansu provided for by a committee, provision being made for construction of highways, drilling of wells, digging of canals, etc.—Chiang Kai-shek in statement at Hsuchow states: "Since the death of the Party's late leader, Dr. Sun Yat-sen, we have not had a single day of perfect accord and solidarity."


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# New Books of Interest in the Far East

## International Amity

*League of Nations Armaments Year Book Published by the League of Nations, Geneva, Switzerland.*

In July, 1923, the Council of the League of Nations, in conformity with the principles of the Council and Assembly of the League, appointed a commission to prepare data on the armaments of various countries for the mutual information of the nations of the world. The data was first published in 1925 in a book entitled "Armaments Year Book".

The fourth edition of the Year Book has recently been published. It is a document unique in the annals of human relations. There could be no better evidence of the desire of nations to outlaw war and to perpetuate friendly international relations than the fact that it is now possible to publish this book. A hundred years ago, fifty years ago,-yes, even twenty years ago, the proposal that nations contribute detailed data on their military and naval establishments to a central commission with a view to its world wide dissemination would have been received with ridicule. Yet today the idea is not only a fact, but the vehicle for its promulgation has become a reference text of acknowledged value.

The object of this document is, of course, to arrest suspicion and promote confidence between nations by removing the traditional curtain of secrecy which has enveloped all matters pertaining to internal defense and armaments from time immemorial. Nations still have their pet secrets, and doubtless each nation, in contributing to this volume, has kept a few aces up the proverbial sleeve; but the basic facts on defense establishments have been presented, and, in the main, they are accurate.

The fourth edition consists of monographs of fifty-eight different countries. The possessions and colonies of the respective nations are treated individually. Each monograph contains information on the military, naval and air forces; data on the budget expenditure allotted to national defense; and additional statistics on the production and exchange of importance to national defense. The latter section treats particularly the mineral ores, chemical and agricultural products, live stock, meat, and some miscellaneous products of each country.

A new feature introduced in this edition consists of graphs by which the apportionment of the various types of naval vessels within each country for the years 1913, 1919 and 1926 may be determined at a glance.

There are two annexes, the first of which contains the conventions verbatim which have been concluded between various countries with a view to limiting or reducing armaments. This includes, as a matter of course, the pertinent portions of the treaties executed between the Allies and the Central Powers in 1919 and 1920, and the treaties concluded at the Washington Conference.

Annex II contains statistical tables and graphs. Chief among these is a recapitulation table showing the chief characteristics of the armies of the world, i. e., nature of the army (permanent or militia,) whether the service is compulsory or voluntary, and the duration of military service. The graphs are designed to show the relative position of the navies of the different countries in 1913, 1919, and 1926.

The bibliography shows that the information for the book comes from the contributing countries in the form of copies of routine official documents and special governmental communications to the League.

The Council of the League of Nations is to be congratulated on the service it has performed in sponsoring the preparation and publication of this extraordinary document. It is a pity that its distribution is limited to the Council and Members of the League. E. F. C.

Shanghai, Nov. 12, 1928.


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*Japan in the World of To-day by Arthur J. Brown. New York: Fleming H. Revell Company*

This is an outstanding work on Japan, and throws a light on the subject of Japan from various sides. The treatment is sympathetic; and facts and figures quoted are reliable. Most of the information in the book is obtained first hand by the author. There is no idealism involved in the work. It is a realistic picture of Japan of to-day, and can be of use as a reference book as well Recent events in the political and industrial world have given new significance to the dense population in the Far East. The Orient has awakened from the topor of ages. Japan has taken full advantage of the scientific attainments of to-day and applied the same to the national life. This fact has made her a great competitor of the Western powers in the Far East.

The author, speaking of the Japanese decsire to have a place in the sun says, "Why should we regard our claims to the supremacy of the Pacific as superior to nations which have occupied territory on that ocean for more then two thousand years? It may be that the Japanese are overambitous and offensively self-assertive. I suspect that they are and that Americans belong in the same category. If we are disposed to persuade nations to adopt a more modest and Christian attitude toward one another we should include our own people as well as the Japanese in our well-meant efforts."

The author finds that democracy is slowly winning adherents in Japan, and the day will come when the people take a direct part in the administration. He thinks that Japan is progressive. The writer of the book saw the Japanese army in drill, and he found it to be "the best drilled army in the world." As we all know, Japan has a very good army and navy, and her soldiers are not uncivilized, all being able to read, write and compose songs; but the author's estimate seems to be a bit exaggerated.

The saddest chapter in the book is "Entitled Social Problems". The author admits that the people are sunk in abject poverty, and the condition of the women workers in the factories leaves much to be desired, the daily wages on the farm being not more than fifteen *sen* a day per head. The trade unions in Japan do not enjoy that liberty which is given to them in America, and there is an under-current of ferment slowly increasing in Japan. The government is not indifferent to this matter and is doing all it can to ameliorate the conditions. The first thing that the people need is bread; all others are secondary. Of what use is glory to hungry souls?

The author finds that the Japanese administration in Korea is a success. But what about the loss of liberty? The author states that Japan needs religion. The average Japanese is to-day a materialist he says, and morality can not be a high concern to him. The excessive drunkenness found by the author in Japan is perhaps due to the want of the restraining influence of religion. Baron Shibusawa, one of the prominent men in Japan, remarks:—

"Japan in the future must base her morality on religion."

H. P. S.

## The Chinese Social and Political Science Review

The October number of the *Chinese Social and Political Review*, for October, issued at Peking, contains an article by Prof. Geo. W. Keeton on Chinese Law and Historical Jurisprudence; on Lease Conventions in China, by Kao Yin-tang; on Chinese Immigration in the Pacific Area, by Wu Ching-chao; and on many other subjects connected with China by various authors.

## Soviet Press Glad that Hoover Won

According to a recent *Rengo* dispatch from Moscow to the newspapers in Japan the Soviet press was well pleased with the election of Herbert Hoover as President of the United States, and as a result it hopes for an early improvement in the relations between Soviet Russia and America. The *Izvestia*, the Soviet government organ, considers that the victory of Hoover opens an entirely new epoch, in which the strongest and most decisive capitalistic Power in the world will endeavor to give full play to the actual readjustment of forces.

## Chiang Kai-shek Makes Statement Concerning Position of Colonel Bauer

Commander-in-chief Chiang Kai-shek according to a recent *Reuter* telegram from Nanking, made a semi-official statement denying emphatically that Col. Max Bauer, the German military expert who recently arrived there, had been engaged by Comm. Chiang as a military adviser. Commander Chiang stated that Colonel Bauer is being employed as an industrial expert and will not be connected in any way with the military affairs of the country.


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|---|---|---|---|---|---|
| The National City Bank of New York | 20% | Stock | | 1000 | 2.00 |
| Argentine Government | 6 | Oct. 1, | 1960 | 100 | 6.00 |
| Australia | 4½ | May 1, | 1956 | 88⅛ | 5.30 |
| U. S. of Brazil | 6½ | Oct. 15, | 1957 | 96⅛ | 6.78 |
| Kingdom of Belgium | 7 | Nov. 1, | 1967 | 106⅜ | 6.53 |
| City of Budapest | 6 | June 1, | 1962 | 84¼ | 7.21 |
| Canadian Pacific Railway | 4 | Perpetual Stk. | | 88 | 4. 5 |
| Chgo., Milw., St. Paul & Pacific Rwy. | 5 | Jan. 1, | 2000 | 77⅜ | 6.48 |
| Chicago Rapid Transit Co. | 6 | July 1, | 1953 | 91 | 6.76 |
| Chile Copper Co. Debs. | 5 | Jan. 1, | 1947 | 93⅛ | 5.61 |
| Chile Government (Railway) | 6 | Feb. 1, | 1961 | 93¼ | 6.46 |
| Cuba Northern Railway | 5½ | June 1, | 1942 | 94½ | 6.10 |
| Republic of Costa Rica | 7⅛ | Sep. 1, | 1949 | 102 | 7.31 |
| Chile Government | 6 | Sep. 1, | 1961 | 94 | 6.44 |
| Cuban Dominican Sugar Co. | 7½ | Nov. 1, | 1944 | 97½ | 7.78 |
| Kingdom of Denmark | 6 | Jan. 1, | 1942 | 104½ | 5.48 |
| Dutch East Dadies | 5½ | Nov. 1, | 1953 | 103 | 5 28 |
| Republic of Finland | 5 | Feb. 1, | 1958 | 91⅛ | 6.15 |
| French Government | 7 | Dec. 1, | 1949 | 107⅜ | 6.34 |
| German Government | 7 | Oct. 15, | 1949 | 106⅞ | 6.40 |
| German Central Bank for Agriculture | 6 | Oct. 15, | 1960 | 88¾ | 6.87 |
| German Central Bank for Agriculture | 6 | Apr. 15, | 1938 | 92 | 7.18 |
| German General Electric Co. | 6 | May 1, | 1948 | 93½ | 6.60 |
| Greek Government | 6 | Feb. 1, | 1968 | 85⅝ | 7.07 |
| Ilseder Steel Corporation | 7 | Apr. 1, | 1946 | 103 (Bid) | 6 71 |
| Kingdom of Italy | 7 | Dec. 1, | 1951 | 97⅜ | 7.26 |
| Japanese Government | 6½ | Feb. 1, | 1954 | 101¾ | 6.36 |
| State of Minas Geraes (Brazil) | 6½ | Mar. 1, | 1958 | 95 | 6.98 |
| Mortgage Bank of Chile | 6 | Apr. 30, | 1961 | 93⅛ | 6.48 |
| Netherland | 6 | Apr. 1, | 1954 | 100⅜ | 5.97 |
| Norwegian Hydro-Elec.-Nitro. Corp. | 5½ | Nov. 1, | 1957 | 92⅝ | 6.05 |
| Kingdom of Norway | 6 | Oct. 15, | 1952 | 102⅞ | 5.78 |
| Northern Ohio Power & Light Co. | 6½ | Jan. 1, | 1941 | 99⅛ | 6.56 |
| Republic of Peru | 6 | Dec. 1, | 1960 | 91¼ | 6.67 |
| Paris, Lyons & Med Rwy. | 6 | Aug. 15, | 1958 | 99½ | 6.04 |
| Republic of Panama | 5 | May 15, | 1963 | 95½ | 5.28 |
| State of Rio Grande Do Sul (Brazil) | 6 | June 1, | 1968 | 93¼ | 6.48 |
| Rhine Westphalia Elec. Power Corp. | 6 | Aug. 1, | 1953 | 94⅜ | 6.48 |
| Saxon State Mortgage Inst. | 6½ | Dec. 1, | 1946 | 96 | 6 89 |
| Saxon Public Works, Inc. | 6½ | May 1, | 1951 | 94⅜ | 6.99 |
| Tokyo Electric Light Co. | 6 | Jun. 15, | 1953 | 90¼ | 6.78 |
| United Kingdom of Gr. Britain | 5½ | Feb. 1, | 1937 | 104½ | 4.85 |
| City of Vienna | 6 | Nov. 1, | 1952 | 87¾ | 7.07 |
| Abitibi Power & Paper Co. | 6 | Pfd. Stock | | 83 | 7.23 |
| BelgianNat'l.Rwy.Pcptg. Pfd. Stock | 6 | (American Shrs) | | 85 | 7.06 |
| Cannon Mills Co. | | Common Stock | | 45½ | —— |
| General Mills, Inc. | 6 | Cum. Pfd. Stock | | 100 | 6.00 |
| General Mills, Inc. | | Common Stock | | 77⅞ | —— |
| Grasselli Chemical Co. | | " " | | 95 | —— |
| Hershey Chocolate Corp. Convertible | 4 | Pfd. Stock | | 81⅞ | 4.89 |
| Mohawk Carpet Mills, Inc. | | " " | | 53 | —— |
| Pennsylvania-Dixie Cement Corp. | 7 | Cum. Pfd. Stock | | 84 | 8.33 |
| Victor Talking Maching Co. | 7 | Cum. Pfd. Stock | | 107½ | 6.51 |
| Willys Overland Co. | 7 | Cum. Pfd. Stock | | 99 | 7.07 |
| George A. Fuller Co. Cum. & Peptg. | $6 | Pfd. Stock | | 100 | 6.00 |
| New York Steam Corpn. | 6 | Cum. Pfd. Stock | | 103 | 5.82 |
| Dominion Square Corp. 1st. Mtge. | 6 | Apr. 1, | 1948 | 100 | 6.00 |
| Ilseder Steel Corp. | 6 | Aug. 1, | 1948 | 92 | 6.73 |
| Pittsburgh Hotels Corp. | 5½ | Mar. 1, | 1948 | 98 | 5.67 |
| Savoy Plaza Corp. | 5½ | Feb. 1, | 1938 | 97 | 5.93 |
| Vertientes Sugar | 6 | Dec. 1, | 1942 | 98½ | 7.17 |

NOTE: The above quotations are subject to confirmation by The National City Company, New York City.

## Shanghai Exchange for Week Ending Wednesday, 21st November, 1928

Exchange:—Fluctuations in the price of Bar Silver in London have ranged within narrow limits since this day last week, and to-day the quotations are 26 1/16d. for spot and 26 1/8d. for forward delivery, a decline of 1/8d. respectively. China appears to have been the principal supporter of the silver market, and is probably responsible for keeping the prices at the present level.

The official T/T rate on London has not been altered since this day last week, namely, 2/7 1/32d. A very steady tone still prevails in our market and rates show little inclination to move either way. In regard to exports and imports business is unusually quiet, and merchants are holding off awaiting some indication as to the probable trend of the market. Speculators have been operating upon a small scale, and their position to-day is reported to be over-sold Yen 15,000,000, and over-bought £1,200,000.

The Market closes to-day quietly steady with the following rates available for telegraphic transfers, on London 2/7 3/32d., on New York 64 1/8, Yens 72 3/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 62 526,000 a decrease of Tls 1,892,000

Chinese and Mexican Dollars ..... $ 84.640 000 an increase of $ 3,340,000

Estimated value Tls. 124 466,000 as against Tls. 115,012.000 held at this time last year.

| | Average rates for Oct. | Thursday. Nov. 15th | Friday Nov. 16th | Saturday Nov. 17th | Monday Nov 19th | Tues. Nov. 20 | Wed. Nov. 21 |
|---|---|---|---|---|---|---|---|
| Bank's selling rates | | opening / closing | opening / closing | opening / closing | opening / closing | opening / closing | opening / closing |
| T/T London | 2/7 442 | 2/7 1/2 | 2/7 1/2 | 2/7 1/2 | 2/7 1/2 | 2/7 1/2 | 2/7 1/2 |
| D/Dfts , | — | 2/7 9/16 | 2/7 9/16 | 2 7 9/16 | 2/7 1/16 | 2/7 9/16 | 2/7 9/16 |
| 4 m/s ,, | — | 2/7 3/4 | 2/7 3/4 | 2/7 3/4 | 2/7 3/4 | 2/7 3/4 | 2/7 3/4 |
| T/T India | 173.808 | 174 | 174 | 174 | 174 | 174 | 174 |
| T/T France | 1,625.385 | 1630 | 1630 | 1630 | 1630 | 1630 | 1630 |
| T/T N. Y. | 63.509 | 63 5/8 | 63 5/8 | 63 5/8 | 63 5/8 | 63 5/8 | 63 5/8 |
| T/T Demand | | 63 3/4 | 63 3/4 | 63 3/4 | 63 3/4 | 63 3/4 | 63 3/4 |
| T/T Hamburg | | 267 | 267 | 267 | 267 | 267 | 267 |
| T/T H'kong | 78 577 | 78 1/2 | 78 1/2 | 78 1/2 | 78 1/2 | 78 1/2 | 78 1/2 |
| T/T Japan | 72 894 | 73 1/8 | 73 1/8 | 73 | 73 | 73 1/8 | 73 |
| T/T Batavia | 157,923 | 158 1/4 | 158 1/4 | 158 1/4 | 158 1/4 | 158 1/4 | 158 1/4 |
| T/T Straits | 89 413 | 89 1/2 | 89 1/2 | 89 1/2 | 89 1/2 | 89 1/2 | 89 1/2 |
| Bk's buying rates 4 m/s B/L. Cred. D/A | 2/9 442 | 2/9 | 2/9 1/2 | 2/9 1/2 | 2/9 1/2 | 2/9 1/2 | 2/9 1/2 |
| 4 m/s ,, D/P | — | 2/9 5/8 | 2/9 5/8 | 2/9 5/8 | 2/9 5/8 | 2/9 1/2 | 2/9 5/8 |
| 6 m/s ,, B/L Cred D/A | 2/9.362 | 2/9 13/16 | 2/9 13/16 | 2/9 13/16 | 2/9 13/16 | 2/9 13/16 | 2/9 13/16 |
| 4 m/s B/F Cred D/A or D/P | 1,695,385 | 1700 | 1700 | 1700 | 1700 | 1700 | 1700 |
| 4 m/s N.Y.Lc. | 66.760 | 66 7/8 | 66 7/8 | 66 7/8 | 66 7/8 | 66 7/8 | 66 7/8 |
| 4 m/s ,, Docs | — | 67 3/8 | 67 3/8 | 67 3/8 | 67 3/8 | 67 3/8 | 67 3/8 |

| †Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion. | Nov. 15 | Nov. 16 | Nov. 17 | Nov. 81 | Nov. 19 | Nov. 21 |
|---|---|---|---|---|---|---|
| *London Price of Bar Silver per oz. (English Standard 925 touch)...Pence | 26 1/16 | 26 1/4 | 26 3/4 | 26 1/16 | 26 1/4 | 26 1/16 |
| **New York Price of Bar Silver per oz. (Pure) | G. $ 58 | G. $.58 | G. $.58 | G.$.58 1/8 | G.$ 58 | G. $.58 |
| Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch) | Tls. 356 10 | Tls. 356 20 | Tls. 354 20 | Tls. 356 70 | Tls. 355 90 | Tls. 355 90 |
| Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch) | 110 90 | 110 90 | 110 9 | 110 90 | 110 90 | 110 90 |
| Shanghai Mexican Dollars per $100 | 72.3 | 72 3 | 72.2875 | 72 3 | 72.25 | 72.2875 |
| Native Bank Rate of Interest (Call money) | 4% | 3½% | 3% | 3% | 3% | 3% |
| *Closing Price in London for Previous day | | | | | | |
| **Closing Price in New York for Previous day | | | | | | |

| | | | |
|---|---|---|---|
| Bank of England rate of discount | 4½% | London Paris on | f/T 124.06 |
| Bank of France rate of discount | 3½% | New York on London | T/T 484 1/16 |
| London open Market of Dis. 3 m/s | 4 7/8% | Bombay on London | T/T 1/6 1/32 |
| ,, 4 ,, | 4 7/8% | Hongkong on London | T/T 2/0 1/4 |
| ,, 6 ,, | 4½% | Kobe on London | T/T 1/10 15/16 |